



VENTUREX RESOURCES LIMITED

ABN 28 122 180 205

Interim Financial Report

For the Half Year Ended
31 December 2013

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2013 and any public announcements made by Venturex Resources Limited during the half year in accordance with the continuous disclosure of the Corporations Act 2001.

Corporate Directory

DIRECTORS

Anthony Kiernan Non-Executive Chairman
Michael Mulrone Managing Director
John Nitschke Non-Executive Director
Raymond Parry Non-Executive Director

COMPANY SECRETARY

Trevor Hart

REGISTERED OFFICE /

PRINCIPAL PLACE OF BUSINESS
Level 2, 91 Havelock Street
West Perth, WA, 6005, Australia

Tel: (61 8) 6389 7400

Fax: (61 8) 9463 7836

ABN

28 122 180 205

WEBSITE

www.venturexresources.com

QUOTED SECURITIES

ASX Code: VXR Shares

AUDITORS

BDO (WA) Pty Ltd
38 Station Street
Subiaco WA 6008, Australia

SHARE REGISTRY

Advanced Share Registry
150 Stirling Highway
Nedlands WA 6009, Australia

Tel: (61 8) 9389 8033

Fax: (61 8) 9389 7871

Table of Contents

Directors' Report.....	1
Auditor's Independence Declaration.....	3
Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year Ended 31 December 2013.....	4
Consolidated Statement of Financial Position as at 31 December 2013.....	5
Consolidated Statement of Changes in Equity for the Half Year Ended 31 December 2013.....	6
Consolidated Statement of Cash Flow for the Half Year Ended 31 December 2013.....	7
Notes to the Financial Statements.....	8
Directors' Declaration.....	11
Independent Auditor's Review Report.....	12

Directors' Report

Your Directors present their report on the Group consisting of Venturex Resources Limited (Venturex) and the entities it controlled at the end of, or during, the half year ended 31 December 2013.

Directors

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

Mr Anthony Kiernan	Non-Executive Chairman
Mr Michael Mulrone	Managing Director
Mr John Nitschke	Non-Executive Director (appointed 4 July 2013)
Mr Raymond Parry	Non-Executive Director

Financial Results

The consolidated profit before and after income tax of the Group during the half year ended 31 December 2013 was \$1,437,831 (31 December 2012: loss of \$5,355,129).

The result includes an impairment/write off of Nil capitalised exploration and evaluation costs (31 December 2012: \$3,857,902) following a detailed review of the tenements.

Dividend

No dividends were paid or proposed during the half-year.

Review of Operations

During the six months ended 31 December 2013, the Company's principal continuing activity was the optimisation work of the Pilbara Copper-Zinc Project, acquisition of mineral tenements and mineral exploration. During the half-year Venturex Resources Limited continued to explore its tenements which are located in, Western Australia and Brazil.

The Company also continued with its strategy of commercialising non-core assets.

Further information on the Company's activities during the half-year financial period can be found in the Company's quarterly activity reports.

Corporate

In November 2013, the Company completed the acquisition of the Panorama Exploration Joint Venture assets (P45/2607, P45/2609-2614, P45/2616) from the existing joint venture partners CBH Panorama Pty Ltd (60%) and Sipa Resources Limited (40%).

On 30 December 2013 the Company entered into a binding sale agreement, subject to transfer of regulatory licences, with a private investment company for the sale of the Whim Creek Hotel and adjacent Accommodation Village complex in the Pilbara region of Western Australia, for a total of \$1.7million cash.

During the period, the following changes occurred to the Company's capital structure:

- ◀ Issue of 10,000,000 unlisted options expiring 1/12/16, exercisable at 2.5 cents per share
- ◀ Issue of 10,000,000 unlisted options expiring 1/12/16, exercisable at 3.5 cents per share
- ◀ Expiry of 5,000,000 unlisted options expiring 28/11/13
- ◀ Expiry of 3,000,000 unlisted options expiring 28/11/13

The Company's current capital on issue stands at:

- ◀ 1,547,869,181 ordinary fully paid shares; and
- ◀ 48,500,000 unlisted options

Directors' Report Continued

Events Subsequent to Reporting Date

On the 5 March 2014, the Company announced that an agreement with Blackrock Metals Pty Ltd (a Private Operator) for the retreatment of the Whim Creek Oxide Copper heap leach pads, whereby Venturex Resources Limited retains 15% Net Profit Interest on copper production and that Copper processing and production has commenced.

No other events or circumstances, to than reported above, have arisen since 31 December 2013 that would require disclosure in this financial report.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on Page 3.

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



MICHAEL MULRONEY
Managing Director

Dated: 11 March 2014

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO VENTUREX RESOURCES LIMITED

As lead auditor for the review of Venturex Resources Limited for the half-year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

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

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



Brad McVeigh
Director

Perth, 11 March 2014

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year Ended 31 December 2013

	31 December 2013 \$	31 December 2012 \$
Revenue from continuing operations		
Other revenue	74,073	236,471
	74,073	236,471
Other income	1,037,405	744,400
Expenses		
Administrative expenses	(560,516)	(704,928)
Corporate expenses	(215,015)	(142,780)
Directors, employees, and consultants fees	(550,536)	(647,598)
Exploration and evaluation expenses	(214,440)	(283,303)
Impairment/write off of area of interest	-	(3,857,902)
Finance costs	(291,418)	(13,403)
Re-estimation of site rehabilitation provisions	2,158,278	(627,659)
Change in contingent consideration payable	-	(58,427)
Profit (loss) before income tax	1,437,831	(5,355,129)
Profit (loss) after income tax attributable to the owners of the company	1,437,831	(5,355,129)
Other comprehensive income		
<i>Items that may be reclassified to profit and loss:</i>		
Foreign currency translation differences – foreign operations	(200,368)	(17,079)
Other comprehensive income for the period, net of tax	(200,368)	(17,079)
Total comprehensive income (loss) for the period attributable to owners of the Company	1,237,463	(5,372,208)
Profit (Loss) / Earnings per share		
Basic profit (loss) per share	0.09 cents	(0.40 cents)
Diluted profit (loss) per share	0.09 cents	(0.40 cents)

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position as at 31 December 2013

	Notes	31 December 2013 \$	30 June 2013 \$
Current assets			
Cash and cash equivalents		3,448,602	3,265,753
Trade and other receivables		41,360	38,385
Inventories		20,120	27,455
Non-current assets classified as held for sale		835,534	921,890
Other (Environmental Bonds and Prepayments)		165,847	1,884,150
Total current assets		4,511,463	6,137,633
Non-current assets			
Property, plant and equipment		2,276,021	2,457,384
Exploration and evaluation		68,636,628	67,614,782
Total non-current assets		70,912,649	70,072,166
Total assets		75,424,112	76,209,799
Current liabilities			
Trade and other payables		348,043	542,567
Provisions		330,770	330,770
Employee benefits		102,204	137,714
Total current liabilities		781,017	1,011,051
Non-current liabilities			
Provisions (Rehabilitation Liability)		11,977,616	13,848,305
Employee benefits		22,221	16,630
Total non-current liabilities		11,999,837	13,864,935
Total liabilities		12,780,854	14,875,986
Net assets		62,643,258	61,333,813
Equity			
Issued capital	4	86,910,839	86,918,414
Reserves		586,885	1,077,125
Accumulated Losses		(24,854,466)	(26,661,726)
Total equity		62,643,258	61,333,813

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity for the Half Year Ended 31 December 2013

	Issued Capital \$	Share Based Compensation \$	Translation Reserve \$	Accumulated Losses \$	Total \$
Balance at 30 June 2012	79,356,172	1,204,793	22,044	(12,492,347)	68,090,662
Loss for the period	-	-	-	(5,355,129)	(5,355,129)
Other comprehensive income	-	-	(17,079)	-	(17,079)
Total comprehensive income for the period	-	-	(17,079)	(5,355,129)	(5,372,208)
Transactions with owners in their capacity as owners:					
Issue of securities	4,501,185	-	-	-	4,501,185
Security issue costs	(350,014)	-	-	-	(350,014)
Options issued	-	266,564	-	-	266,564
Options expired	-	(587,373)	-	587,373	-
	4,151,171	(320,809)	-	587,373	4,417,735
Balance at 31 Dec 2012	83,507,343	883,984	4,965	(17,260,103)	67,136,189
Balance at 30 June 2013	86,918,414	1,081,141	(4,016)	(26,661,726)	61,333,813
Profit for the period	-	-	-	1,437,831	1,437,831
Other comprehensive income	-	-	(200,368)	-	(200,368)
Total comprehensive income for the period	-	-	(200,368)	1,437,831	1,237,463
Transactions with owners in their capacity as owners:					
Security issue costs	(7,575)	-	-	-	(7,575)
Options issued	-	79,557	-	-	79,557
Options expired	-	(369,429)	-	369,429	-
	(7,575)	(289,872)	-	369,429	71,982
Balance at 31 Dec 2013	86,910,839	791,269	(204,384)	(24,854,466)	62,643,258

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flow for the Half Year Ended 31 December 2013

	31 December 2013 \$	31 December 2012 \$
Cash flows related to operating activities		
Payments to suppliers and employees	(1,124,161)	(1,610,337)
Interest received	83,264	223,386
Interest paid	(1,331)	-
Research and development tax received	840,657	720,311
Net cash used in operating cash flows	(201,571)	(666,640)
Cash flows related to investing activities		
Payment for purchases of plant and equipment	-	(721,552)
Proceeds from sale of plant and equipment	32,000	636
Payment for deferred exploration expenditure	(1,286,939)	(4,320,528)
Proceeds from redemption of bank guarantee	1,687,962	-
Net cash provided by/(used) in investing cash flows	433,023	(5,041,444)
Cash flows related to financing activities		
Proceeds from issues of securities	-	4,186,675
Capital raising costs	(7,575)	(350,014)
Repayment of borrowings	(37,468)	-
Net cash from/(used in) financing cash flows	(45,043)	3,836,661
Net increase/(decrease) in cash and cash equivalents	186,409	(1,871,423)
Cash and cash equivalents at the beginning of the half year	3,265,753	6,532,338
Effects of exchange rate changes on cash and cash equivalents	(3,560)	(9,428)
Cash and cash equivalents at the end of the half year	3,448,602	4,651,487

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

Note 1. Basis of Preparation

Reporting Entity

Venturex Resources Limited is a company domiciled in Australia. The consolidated interim financial statements of the Company as at, and for the six months ended 31 December 2013, comprises the Company and its subsidiaries (together referred to as the "Group"), Venturex Pilbara Pty Ltd, Venturex Sulphur Springs Pty Ltd, Jutt Resources Pty Ltd, Juranium Pty Ltd, CMG Gold Ltd and CMG Mineração Ltda.

Statement of Compliance

The general purpose financial statements for the interim half year reporting period ended 31 December 2013 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Venturex Resources Limited and its controlled entities (referred to as the Consolidated Group or the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this interim financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2013, together with any public announcements made during the half year.

Significant Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Company's 2013 annual financial report for the financial year ended 30 June 2013, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except for: *AASB 10 Consolidated Financial Statements* – There is no impact on transactions and balances recognised in the financial statements as the Group does not have any special purpose entity; *AASB 11 Joint Arrangements* – There is no impact on the transactions and balances recognised in the financial statements as the Group has not entered into any joint arrangements; *AASB 12 Disclosure of Interest in Other Entities* – There is no impact on amounts recognised in the financial statements; *AASB 13 Fair Value Measurement* – The additional disclosures were included for items measured at fair value in the statement of financial position, as well as items merely disclosed at fair value in the notes to the financial statements; *AASB 119 Employee Benefits* – There is no impact on transactions and balances recognised in the financial statements as there are no annual leave provision amounts that are expected to be taken after twelve months from the balance date.

Going Concern

The financial statements have been prepared on a going concern basis.

Note 2. Segment Reporting

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

	Australia	Brazil	Total
	\$	\$	\$
Half-year ended 31 December 2013			
Segment revenue	-	-	-
Segment other income	-	-	-
Segment loss			
Total segment loss	(1,213,369)	(68,020)	(1,281,389)
Inter-segment loss	-	-	-
Net segment loss	(1,213,369)	(68,020)	(1,281,389)
Total segment assets	73,177,662	2,246,450	75,424,112
Total segment liabilities	(12,679,529)	(101,325)	(12,780,854)

Notes to the Financial Statements continued

Note 2. Segment Reporting continued

	Australia	Brazil	Total
	\$	\$	\$
Half-year ended 31 December 2012			
Segment revenue	-	-	-
Segment other income	-	-	-
Segment loss			
Total segment loss	(1,919,711)	(3,069,202)	(4,988,913)
Inter-segment loss	-	-	-
Net segment loss	(1,919,711)	(3,069,202)	(4,988,913)
Total segment assets	73,181,497	3,126,186	76,307,683
Total segment liabilities	(9,107,800)	(63,695)	(9,171,495)

Reconciliation of segment result to Group net profit/(loss) before tax is provided as follows:

	31 Dec 2013	31 Dec 2012
	\$	\$
Net segment loss	(1,281,389)	(4,988,913)
Corporate items:		
Interest revenue	74,073	236,471
Other revenue	1,037,405	744,400
Employee and Directors; benefits expense	(550,536)	(647,598)
Other income/(expenses)	2,158,278	(699,489)
Net profit/(loss) before tax from continuing operations	1,437,831	(5,355,129)

Note 3. Contingent Liabilities

There have been no changes in contingent liabilities since the last annual reporting period.

Note 4. Issued Capital

	31 December 2013		30 June 2013	
	No.	\$	No.	\$
Issued and Paid Up Capital				
Fully Paid Ordinary Shares	1,547,869,181	86,910,839	1,547,869,181	86,918,414
Unlisted options issued	48,500,000	791,269	36,500,000	1,081,141
Foreign currency translation reserve		(204,384)		(4,016)
Total		87,497,724		87,995,539

During the half year ended 31 December 2013, the following movements in equity occurred:

<u>Shares</u>	<u>Issue Price \$</u>	No.	\$
Balance as at 1 July 2013		1,547,869,181	86,918,414
Transaction costs relating to share issues		-	(7,575)
		1,547,869,181	86,910,839

Options (listed)

There are no listed options

Notes to the Financial Statements continued

Note 4. Issued Capital continued

<u>Options (unlisted)</u>	<u>Issue Price \$</u>	<u>No.</u>	<u>\$</u>
Balance as at 1 July 2013		36,500,000	1,081,141
28/11/2013 Expiry of options to Directors and Key Management Personnel	(0.045)	(5,000,000)	(226,181)
28/11/2013 Expiry of options to Directors and Key Management Personnel	(0.075)	(3,000,000)	(143,248)
03/12/2013 Issue of options to Directors and Key Management Personnel	0.012	10,000,000	1,026
03/12/2013 Issue of options to Directors and Key Management Personnel	0.016	10,000,000	16,498
31/12/2012 Expense options over vesting period	-	-	62,033
		<u>48,500,000</u>	<u>791,269</u>

Note 5. Fair Value of Options Granted

The fair value at grant date is determined using a Black-Scholes option pricing model which takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, and the risk free interest rate for the term of the option.

The weighted average model inputs used for options granted during the period included:

	31 Dec 2013	30 June 2013
Weighted average exercise price	\$0.025 to \$0.035	\$0.12
Weighted average life of the option	3 years	3 years
Underlying share price	\$0.005	\$0.048
Expected share price volatility	105%	87%
Risk free interest rate	3.54%	6.25%
Expected dividend yield	Nil	Nil

The expected share price volatility is based on the Group Entity's historic volatility since listing in April 2007.

Of the options issued on the 3 December 2013, 10 million options vested immediately and the remaining 10 million options will vest in 12 months from the date of issue.

Note 6. 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.

Note 7. Events Subsequent to Reporting Date

On the 5 March 2014, the Company announced that an agreement with Blackrock Metals Pty Ltd (a Private Operator) for the retreatment of the Whim Creek Oxide Copper heap leach pads, whereby Venturex Resources Limited retains 15% Net Profit Interest on copper production and that Copper processing and production has commenced.

No other events or circumstances, to than reported above, have arisen since 31 December 2013 that would require disclosure in this financial report.

Note 8. Related Party Changes

There have been no changes to the related parties other than the 20 millions options issued to Mangaing Director, Michael Mulrone, on the 3 December 2013.

Directors' Declaration

The Directors' of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 10 are in accordance with the Corporations Act 2001, including:
 - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the half year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



MICHAEL MULRONEY
Managing Director

Dated: 11 March 2014

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Venturex Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Venturex Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2013, 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 half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Venturex Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Venturex Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink. The word 'BDO' is written in a simple, blocky font. Below it, the name 'Brad McVeigh' is written in a cursive, handwritten style.

Brad McVeigh
Director

Perth, 11 March 2014