



VENTUREX RESOURCES LIMITED

ABN 28 122 180 205

Interim Financial Report

**For the Half Year Ended
31 December 2014**

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 2014 and any public announcements made by Venturex Resources Limited during the half year to 31 December 2014 in accordance with the continuous disclosure of the Corporations Act 2001.

Corporate Directory

DIRECTORS

Anthony Kiernan Non-Executive Chairman
Michael Mulrone Managing Director
(resigned 27 February 2015)
John Nitschke Non-Executive Director
Raymond Parry Non-Executive Director

COMPANY SECRETARY

Trevor Hart

REGISTERED OFFICE /

PRINCIPAL PLACE OF BUSINESS

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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

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Directors' Report

Your Directors present their report on the Group consisting of Venturex Resources Limited (Venturex) and the entities it controlled at the end of, or during, the half year ended 31 December 2014.

Directors

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

Mr Anthony Kiernan	Non-Executive Chairman
Mr Michael Mulroney	Managing Director (resigned 27 February 2015)
Mr John Nitschke	Non-Executive Director
Mr Raymond Parry	Non-Executive Director

Financial Results

The consolidated loss before and after income tax of the Group during the half year ended 31 December 2014 was \$1,536,881 (31 December 2013: profit of \$1,437,831).

The result includes a write off of \$91,029 (31 December 2013: Nil) and an impairment of \$437,246 (31 December 2013: Nil) capitalised exploration and evaluation costs 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 2014, 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.

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, released to the ASX and on the company web site.

Corporate

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. On 3 July 2014 the sale was finalised.

On 3 November 2014 the Company resolved to withdraw from all gold exploration activities in Brazil and has proceeded with the closure of wholly owned subsidiary CMG Mineração Ltda.

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

- ◀ Expiry of 6,000,000 unlisted options 05/12/14

The Company's current capital on issue stands at:

- ◀ 1,547,869,181 ordinary fully paid shares; and
- ◀ 30,000,000 unlisted options

Events Subsequent to Reporting Date

On 27 February 2015, Michael Mulroney, elected to step down from his position in order to pursue other opportunities.

Michael will continue to work with the Board in a consulting capacity whilst the Board seeks to appoint a suitably qualified successor. In the interim non-executive director John Nitschke will oversee day-to-day operations.

No other events or circumstances have arisen since 31 December 2014 that would require disclosure in this financial report.

Directors' Report continued

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.

A handwritten signature in black ink, appearing to read 'John Nitschke', with a long horizontal flourish extending to the left.

JOHN NITSCHKE
Non-Executive Director

Dated: 12 March 2015

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF VENTUREX RESOURCES LIMITED

As lead auditor for the review of Venturex Resources Limited for the half-year ended 31 December 2014, 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

BDO Audit (WA) Pty Ltd

Perth, 12 March 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year Ended 31 December 2014

	Notes	31 December 2014 \$	31 December 2013 \$
Revenue from continuing operations			
Other revenue		45,082	74,073
Other income	3	811,525	1,037,405
Expenses			
Administrative expenses		(572,121)	(560,516)
Corporate expenses		(111,058)	(215,015)
Directors, employees, and consultants fees		(626,929)	(550,536)
Exploration and evaluation expenses		(279,684)	(214,440)
Write off of exploration and evaluation expenses		(91,029)	-
Impairment of exploration and evaluation expenses		(437,246)	-
Impairment of property, plant and equipment		(33,304)	-
Finance costs		(242,117)	(291,418)
Movement in fair value of site rehabilitation provisions		-	2,158,278
Profit (loss) before income tax		(1,536,881)	1,437,831
Profit (loss) after income tax attributable to the owners of the company		(1,536,881)	1,437,831
Other comprehensive income			
<i>Items that may be reclassified to profit and loss:</i>			
Foreign currency translation differences – foreign operations		4,497	(200,368)
Other comprehensive income for the period, net of tax		4,497	(200,368)
Total comprehensive income (loss) for the period attributable to owners of the Company		(1,532,384)	1,237,463
Profit (Loss) / Earnings per share			
Basic profit (loss) per share		(0.10) cents	0.09 cents
Diluted profit (loss) per share		(0.10) cents	0.09 cents

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position as at 31 December 2014

	Notes	31 December 2014 \$	30 June 2014 \$
Current assets			
Cash and cash equivalents		1,538,619	1,159,329
Trade and other receivables		26,055	988,310
Inventories		5,225	26,559
Non-current assets classified as held for sale		-	840,810
Other assets		134,259	152,138
Total current assets		1,704,158	3,167,146
Non-current assets			
Property, plant and equipment		1,952,275	2,140,925
Exploration and evaluation		67,781,763	67,520,675
Total non-current assets		69,734,038	69,661,600
Total assets		71,438,196	72,828,746
Current liabilities			
Trade and other payables		144,371	523,070
Provisions		477,739	330,770
Employee benefits		254,030	114,420
Total current liabilities		876,140	968,260
Non-current liabilities			
Provisions (Rehabilitation Liability)		13,800,309	13,559,249
Employee benefits		9,964	22,553
Total non-current liabilities		13,810,273	13,581,802
Total liabilities		14,686,413	14,550,062
Net assets		56,751,783	58,278,684
Equity			
Issued capital	5	86,910,839	86,910,839
Reserves		(20,935)	182,833
Accumulated Losses		(30,138,121)	(28,814,988)
Total equity		56,751,783	58,278,684

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity for the Half Year Ended 31 December 2014

	Issued Capital \$	Share Based Compensation \$	Translation Reserve \$	Accumulated Losses \$	Total \$
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
Balance at 30 June 2014	86,910,839	402,763	(219,930)	(28,814,988)	58,278,684
Loss for the period	-	-	-	(1,536,881)	(1,536,881)
Other comprehensive income	-	-	4,497	-	4,497
Total comprehensive income for the period	-	-	4,497	(1,536,881)	(1,532,384)
Transactions with owners in their capacity as owners:					
Options issued	-	5,483	-	-	5,483
Options expired	-	(213,748)	-	213,748	-
	-	(208,265)	-	213,748	5,483
Balance at 31 Dec 2014	86,910,839	194,498	(215,433)	(30,138,121)	56,751,783

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flow for the Half Year Ended 31 December 2014

	31 December 2014 \$	31 December 2013 \$
Cash flows related to operating activities		
Payments to suppliers and employees	(1,332,532)	(1,124,161)
Interest received	41,545	83,264
Interest paid	(722)	(1,331)
Research and development tax received	883,704	840,657
Net cash used in operating cash flows	(408,005)	(201,571)
Cash flows related to investing activities		
Proceeds from sale of property, plant and equipment	1,600,000	32,000
Payment for exploration and evaluation	(804,715)	(1,286,939)
Proceeds from redemption of bank guarantee	12,000	1,687,962
Net cash provided by investing cash flows	807,285	433,023
Cash flows related to financing activities		
Capital raising costs	-	(7,575)
Repayment of borrowings	(19,883)	(37,468)
Net cash used in financing cash flows	(19,883)	(45,043)
Net increase in cash and cash equivalents	379,397	186,409
Cash and cash equivalents at the beginning of the half year	1,159,329	3,265,753
Effects of exchange rate changes on cash and cash equivalents	(107)	(3,560)
Cash and cash equivalents at the end of the half year	1,538,619	3,448,602

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 2014, 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 2014 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 2014, 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 2014 annual financial report for the financial year ended 30 June 2014. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Going Concern

The Group incurred a loss before income tax of \$1,536,881 (31 December 2013 profit: \$1,437,831), net increase of cash flows of \$379,397 (2013: increase of \$186,409) and at the balance date had a cash balance of \$1,538,619 (2013: \$3,448,602).

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 Pilbara 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 Pilbara 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.

The Group will be required to raise additional capital to fund its future activities, including provision for ongoing working capital, exploration and any required pre-production activities that may be identified in the current optimisation/feasibility process for the development of a centralised sulphide processing facility at the Pilbara Copper-Zinc Project. The Directors believe that the Group has the ability to raise additional funds through its 15% share placement capacity (or larger percentage subject to Shareholder approval) or via short term loan funding arrangements.

In the event that 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 will remain a going concern for at least the period up to 12 months from the date of the signed financial report.

The Directors believe that the Group will be successful in the above matters and, at this time, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report as at 31 December 2014. Accordingly, the accompanying financial statements do not include any adjustments relating to the recoverability and classification of the asset carrying amount or the amount and classification of liabilities that might be necessary if the Group is unable to continue as a going concern.

Notes to the Financial Statements continued

Note 2. Segment Reporting

The full Board of Directors, who are the chief operating decision makers, has identified two reportable segments from a geographical perspective 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 2014			
Segment revenue	-	-	-
Segment other income	-	-	-
Segment loss			
Total segment loss	(1,345,846)	(416,957)	(1,762,803)
Inter-segment loss	-	-	-
Net segment loss	(1,345,846)	(416,957)	(1,762,803)
Total segment assets	71,431,115	7,081	71,438,196
Total segment liabilities	(14,492,050)	(194,363)	(14,686,413)
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)

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

	31 Dec 2014	31 Dec 2013
	\$	\$
Net segment loss	(1,762,803)	(1,281,389)
Corporate items:		
Interest revenue	41,326	74,073
Other income	811,525	1,037,405
Employee and Directors; benefits expense	(626,929)	(550,536)
Other income/(expenses)	-	2,158,278
Net loss before tax from continuing operations	1,536,881	1,437,831

Note 3. Other Income

	31 Dec 2014	31 Dec 2013
	\$	\$
Non-operating activities		
R&D tax offset	-	987,405
Gain on disposal of assets	811,525	-
Non-refundable deposit – sale of hotel	-	50,000
Net loss before tax from continuing operations	811,525	1,037,405

Note 4. Contingent Liabilities

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

Notes to the Financial Statements continued

Note 5. Issued Capital

	31 December 2014		30 June 2014	
	No.	\$	No.	\$
Issued and Paid Up Capital				
Fully Paid Ordinary Shares	1,547,869,181	86,910,839	1,547,869,181	86,910,839
Unlisted options issued	30,000,000	194,498	36,000,000	402,763
Foreign currency translation reserve		(215,433)		(219,930)
Total		<u>86,889,904</u>		<u>87,093,672</u>

During the half year ended 31 December 2014, the following movements in equity occurred:

Shares

There were no movements in shares during the half year ended 31 December 2014.

Options (listed)

There are no listed options

Options (unlisted)

		<u>Issue Price \$</u>	<u>No.</u>	<u>\$</u>
	Balance as at 1 July 2014		36,000,000	402,763
05/12/2014	Expiry of options to Directors and Key Management Personnel	(0.035)	(3,000,000)	(106,874)
05/12/2014	Expiry of options to Directors and Key Management Personnel	(0.035)	(3,000,000)	(106,874)
31/12/2014	Expense options over vesting period	-	-	5,483
			<u>30,000,000</u>	<u>194,498</u>

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 27 February 2015, Michael Mulroney, elected to step down from his position in order to pursue other opportunities.

Michael will continue to work with the Board in a consulting capacity whilst the Board seeks to appoint a suitably qualified successor. In the interim non-executive director John Nitschke will oversee day-to-day operations.

No other events or circumstances have arisen since 31 December 2014 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 expiry of 6 million options on 5 December 2014, that were previously issued to Directors.

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 2014 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.



JOHN NITSCHKE
Non-Executive Director

Dated: 12 March 2015

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 2014, 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 2014 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 Venturix 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 2014 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*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit (WA) Pty Ltd



Brad McVeigh
Director

Perth, 12 March 2015