VENTUREX RESOURCES LIMITED

ABN 28 122 180 205

Interim Financial Report

For the Half Year Ended 31 December 2015

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 2015 and any public announcements made by Venturex Resources Limited during the half year to 31 December 2015 in accordance with the continuous disclosure of the Corporations Act 2001.

Corporate Directory

DIRECTORS

Anthony Kiernan	Non-Executive Chairman
John Nitschke	Managing Director
Anthony Reilly	Non-Executive Director
Darren Stralow	Non-Executive Director

COMPANY SECRETARY
Trevor Hart

REGISTERED OFFICE /
PRINCIPAL PLACE OF BUSINESS
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ABN
28 122 180 205

WEBSITE
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QUOTED SECURITIES
ASX Code: VXR Shares

AUDITORS
BDO Audit (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 2015.

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 John Nitschke	Managing Director (appointed 1 December 2015)
Mr Anthony Reilly	Non-Executive Director (appointed 1 July 2015)
Mr Darren Stralow	Non-Executive Director (appointed 1 July 2015)
Mr Raymond Parry	Non-Executive Director (resigned 1 July 2015)

Financial Results

The consolidated loss before and after income tax of the Group during the half year ended 31 December 2015 was $1,887,392 (31 December 2014: $1,536,881).

The result includes a net write off/impairment expense of $1,632,376 (31 December 2014: $528,275) of 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 2015, the Company's principal continuing activity was the optimisation work of the Pilbara Copper-Zinc Projects, 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.

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 website.

Corporate

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

- Issue of 198,325,414 ordinary shares on 21 December 2015
- Issue of 19,366,197 performance rights on 11 December 2015

The Company's current capital on issue stands at:

- 1,746,194,595 ordinary fully paid shares; and
- 26,366,197 unlisted performance rights

Events Subsequent to Reporting Date

On 4th March 2016, 7,000,000 Performance Rights were issued under the Performance Rights Plan to Employees.

No other events or circumstances have arisen since 31 December 2015 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.

JOHN NITSCHKE
Managing Director

Dated: 11 March 2016

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

As lead auditor for the review of Venturex Resources Limited for the half-year ended 31 December 2015, 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 review; and

2. 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.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 11 March 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year Ended 31 December 2015

	Notes	31 December 2015 $	31 December 2014 $
Revenue from continuing operations			
Revenue and other income	3	619,580	856,607
Expenses			
Administrative expenses		(271,186)	(572,121)
Corporate expenses		(45,345)	(111,058)
Directors, employees, and consultants fees		(347,238)	(626,929)
Exploration and evaluation expenses		(58,966)	(279,684)
Write off / Impairment of exploration and evaluation expenses	4	(1,632,376)	(528,275)
Impairment of property, plant and equipment		-	(33,304)
Finance costs		(151,861)	(242,117)
Loss before income tax		(1,887,392)	(1,536,881)
Loss after income tax attributable to the owners of the company		(1,887,392)	(1,536,881)
Other comprehensive income			
Items that may be reclassified to profit and loss:			
Foreign currency translation differences – foreign operations		-	4,497
Other comprehensive income for the period, net of tax		-	4,497
Total comprehensive loss for the period attributable to owners of the Company		(1,887,392)	(1,532,384)
Loss / Earnings per share			
Basic loss per share		(0.12) cents	(0.10) cents
Diluted loss per share		(0.12) cents	(0.10) cents

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
as at 31 December 2015

	Notes	31 December 2015 $	30 June 2015 $
Current assets			
Cash and cash equivalents		947,798	1,059,171
Trade and other receivables		142,049	281,190
Other assets		113,417	141,234
Total current assets		1,203,264	1,481,595
Non-current assets			
Property, plant and equipment		1,574,310	1,660,420
Exploration and evaluation	4	22,736,525	23,553,340
Total non-current assets		24,310,835	25,213,760
Total assets		25,514,099	26,695,355
Current liabilities			
Trade and other payables		240,368	330,894
Provisions		-	330,770
Employee benefits		5,201	3,080
Total current liabilities		245,569	664,744
Non-current liabilities			
Provisions (Rehabilitation Liability)		11,320,471	11,169,738
Employee benefits		10,640	11,709
Total non-current liabilities		11,331,111	11,181,447
Total liabilities		11,576,680	11,846,191
Net assets		13,937,419	14,849,164
Equity			
Issued capital	5	87,881,501	86,910,839
Reserves		4,985	-
Accumulated Losses		(73,949,067)	(72,061,675)
Total equity		13,937,419	14,849,164

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity for the Half Year Ended 31 December 2015

	Issued Capital $	Share Based Compensation $	Translation Reserve $	Accumulated Losses $	Total $
Balance at 30 June 2014	86,910,839	402,763	(219,930)	(31,090,402)	56,003,270
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)	(32,413,535)	54,476,369
Balance at 30 June 2015	86,910,839	-	-	(72,061,675)	14,849,164
Loss for the period	-	-	-	(1,887,392)	(1,887,392)
Total comprehensive income for the period	-	-	-	(1,887,392)	(1,887,392)
Transactions with owners in their capacity as owners:					
Issue of securities	991,627	-	-	-	991,627
Security issue costs	(20,965)	-	-	-	(20,965)
Share based payments issued	-	4,985	-	-	4,985
	970,662	4,985	-	-	975,647
Balance at 31 Dec 2015	87,881,501	4,985	-	(73,949,067)	13,937,419

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flow
for the Half Year Ended 31 December 2015

	31 December 2015 $	31 December 2014 $ (Restated)
Cash flows related to operating activities		
Payments to suppliers and employees	(742,203)	(1,332,532)
Interest received	6,079	41,545
Interest paid	(1,099)	(722)
Research and development tax received – non capitalised portion	-	37,849
Proceeds SX-EW profit share	477,205	-
Net cash used in operating cash flows	(260,018)	(1,253,860)
Cash flows related to investing activities		
Payments for property, plant and equipment	(1,125)	-
Proceeds from sale of property, plant and equipment	-	1,600,000
Payment for exploration and evaluation	(806,118)	(804,715)
Research and development tax received – capitalised portion	-	845,855
Proceeds from redemption of bank guarantee	-	12,000
Net cash (used)/ provided in investing cash flows	(807,243)	1,653,140
Cash flows related to financing activities		
Proceeds from issue of securities	991,627	-
Capital raising costs	(10,194)	-
Repayment of borrowings	(25,545)	(19,883)
Net cash (used) / provided in financing cash flows	955,888	(19,883)
Net increase (decrease) in cash and cash equivalents	(111,373)	379,397
Cash and cash equivalents at the beginning of the half year	1,059,171	1,159,329
Effects of exchange rate changes on cash and cash equivalents	-	(107)
Cash and cash equivalents at the end of the half year	947,798	1,538,619

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 2015, 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, and CMG Gold Ltd.

Statement of Compliance

The general purpose financial statements for the interim half year reporting period ended 31 December 2015 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 2015, 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 2015 annual financial report for the financial year ended 30 June 2015. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Significant Accounting Estimates and Assumptions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes or Monte-Carlo model taking into account the assumptions detailed within note 5.

Going Concern

The Group Entity incurred a loss before income tax of $1,887,392 (2014: $1,536,881), net decrease of cash flows of $111,373 (2014: increase $379,397) and had a net asset balance of $13,937,419 (30 June 2015: $14,849,164) for the half year ended 31 December 2015, including a cash balance of $947,798 (2014: $1,059,171).

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 Projects, the Directors will continue with ongoing discussions with interested groups on opportunities to advance the Projects development as part of the Company's drive to commercialise the Pilbara Copper – Zinc Projects. 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 Projects. The Directors believe that the Group has the ability to raise additional funds through its 25% share placement capacity (or larger percentage subject to Shareholder approval) or via short term loan funding arrangements.

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.

However in the event that the Group Entity is not able to successfully complete the above activities, material uncertainty would exist that may cast doubt on whether the Group Entity will continue as a going concern, and therefore whether it will realise the assets and extinguish the liabilities in the normal course of business and at the amounts stated in the financial statements.

The Directors believe that the Group Entity will be successful in the above matters and, at this time. The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company and the consolidated entity not 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 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 2015			
Segment revenue and other income	-	-	-
Segment loss			
Total segment loss	(2,159,734)	-	(2,159,734)
Inter-segment loss	-	-	-
Net segment loss	(2,159,734)	-	(2,159,734)
Half - Year ended 31 December 2015			
Total segment assets	25,514,099	-	25,514,099
Total segment liabilities	(11,576,680)	-	(11,576,680)
Half-year ended 31 December 2014			
Segment revenue and 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)
Year ended 30 June 2015			
Total segment assets	26,695,355	-	26,695,355
Total segment liabilities	(11,846,191)	-	(11,846,191)

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

	31 Dec 2015 $	31 Dec 2014 $
Net segment loss	(2,159,734)	(1,762,803)
Corporate items:		
Interest revenue	5,865	41,326
Other revenue	282,945	811,525
Other income	330,770	-
Employee and Directors; benefits expense	(347,238)	(626,929)
Net loss before tax from continuing operations	1,887,392	1,536,881

Note 3. Revenue and Other Income

	31 Dec 2015 $	31 Dec 2014 $
Revenues		
Interest income on bank deposits	5,865	41,327
SX-EW Profit Share	282,945	-
	288,810	41,327
Other Income		
Non-operating activities		
Gain on disposal of assets	-	811,525
Gain on derecognition of stamp duty provision	330,770	-
Other income	-	3,755
	330,770	815,280
	619,580	856,607

Notes to the Financial Statements continued

Note 4. Exploration and Evaluation Expenditure

	31 Dec 2015	30 Jun 2015
	$	$
Exploration and Evaluation Expenditure carrying value	22,736,525	23,553,340

	31 Dec 2015	30 Jun 2015
	$	$
Movements in Carrying Amounts of Exploration and Evaluation Expenditure		
Balance at the beginning of year	23,553,340	65,274,278
Additions incurred during the year	815,561	1,127,973
Disposals incurred during the year	-	(387,500)
Written off / Impairment during the year	(1,632,376)	(42,087,264)
R&D tax offset received	-	(374,147)
Closing carrying value at the end of year	22,736,525	23,553,340

Note 5. Issued Capital

	31 December 2015		30 June 2015	
	No.	$	No.	$
Fully Paid Ordinary Shares	1,746,194,595	87,881,501	1,547,869,181	86,910,839
Total		87,881,501		86,910,839

During the half year ended 31 December 2015, the following movements in equity occurred:

Shares		*Issue Price $*	*No.*	*$*
	Balance as at 1 July 2015		1,547,869,181	86,910,839
21/12/2015	Issue of shares under entitlement issue	0.005	198,325,414	991,627
	Transaction costs relating to shares issued		-	(20,965)
			1,746,194,595	87,881,501

The weighted average number of ordinary shares outstanding during the year used in calculating the basic and diluted loss per share is 1,558,647,736.

Options (listed and unlisted)

There are no listed or unlisted options

Performance Rights (unlisted)

		Fair Value per performance right		*Total Value of performance rights*	*Expensed for the half year*
		$	No	$	$
	Balance as at 1 July 2015		-		-
11/12/2015	Issue of performance rights expensed over vesting period – Tranche 1	0.0054	9,683,098	52,289	2,072
11/12/2015	Issue of performance rights expensed over vesting period – tranche 2	0.0070	9,683,099	67,782	2,913
			19,366,197	120,071	4,985

Performance Rights Plan

During the period the Company granted long term incentives rights which have both been issued under the Company Performance Rights Plan. Each performance right will vest as an entitlement to one fully paid ordinary share provided that certain performance milestones are met. If the performance milestones are not met, the performance rights will lapse and the eligible participant will have no entitlement to any shares.

Performance rights are not listed and carry no dividend or voting rights. Upon exercise each performance right is convertible into one ordinary share to rank pari passu in all respects with the Company's existing fully paid ordinary shares. Rights granted to the Employee were approved by shareholders at a general meeting held on 27 November 2015.

Notes to the Financial Statements continued

Note 5. Issued Capital continued

Tranche 1

9,683,098 Performance Rights will need to satisfy the performance milestone based on the relative rating of the Total shareholder Return (TSR) for the Company against the TSR's of a comparator group of junior resources companies to be determined by the Board in conjunction with an independent advisor. 50% will vest on 1 December 2016 and 50% will vest on 1 December 2017 provided that the employee is still an employee of the Company.

Key inputs to the Monte-Carlo simulation valuation models used in the calculation of each grant of long-term incentive performance rights during the half-year ended 31 December 2015 were as follows:

Type of Grant	Expected price volatility(1)	Exercise price	Vest Date	Expiry Date	Share price at grant date	Risk free interest rate(2)	Fair value per performance right
Long term incentive right - *Grant date: 11 December 2015*							
	110%	n/a	01-Dec-16	11-Dec-22	$0.007	2%	$0.0054
	110%	n/a	01-Dec-17	11-Dec-22	$0.007	2%	$0.0054

1 *Expected price volatility is based on the historical volatility adjusted for any expected changes to future volatility due to publically available information*

2 *Risk free rate of securities with comparable terms to maturity*

Tranche 2

9,683,099 Performance Rights will need to satisfy the performance milestone on achievement of an agreed "material" transaction or event by 30 November 2016. For 2016 this material event will be a Board commitment to either develop the Pilbara Copper Zinc projects through direct financing or joint venture or alternatively enter into a material transaction in relation to the project. 50% will vest on 1 December 2016 and 50% will vest on 1 December 2017 provided that the employee is still an employee of the Company.

Tranche 2 has been valued using the Volume Weighted Average Price as at issue date 11 December 2015 which is $0.007 per share. The expense has been recognised on the basis all conditions will be met over the vesting period.

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 4th March 2016, 7,000,000 Performance Rights were issued under the Performance Rights Plan to Employees. No other events or circumstances have arisen since 31 December 2015 that would require disclosure in this financial report.

Note 8. Related Party Changes

On 1 December 2015 Mr John Nitschke was appointed as the Managing Director, for a fixed term of 24 months. The key terms to Mr Nitschke's new employment agreement are as follows:

- Total fixed remuneration (salary plus superannuation) of A$275,000;
- 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; and
- 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.

During the half-year ended 31 December 2015, the Company issued Long Term Incentive Rights to Mr John Nitschke. The value of the Long Term Incentive Rights was $120,071. $4,985 was expensed during the 6 months ending 31 December 2015. The details of the rights issued can be found within Note 5.

There have been no other changes to related party.

Note 9. Contingent Liabilities and Commitments

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

Directors' Declaration

The Directors' of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 11 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 2015 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
Managing Director

Dated: 11 March 2016

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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 2015, 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 2015 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 2015 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. This condition, 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

BDO

JPrue

Jarrad Prue

Director

Perth, 11 March 2016