2016 FINANCIAL REPORT

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

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 Audit (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

The Directors of Venturex Resources Limited (the "Company") present their report on the consolidated entity (the "Group Entity"), consisting of Venturex Resources Ltd. and the entities it controlled at the end of, and during, the financial year ended 30 June 2016.

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
John Nitschke	Managing Director	Appointed 1 December 2015
	Interim CEO	Appointed 27 February 2015
	Non-Executive Director	Appointed 4 July 2013
	Non-Executive Director	Appointed 30 August 2011, Resigned 17 April 2013
Anthony Reilly	Non-Executive Director	Appointed 1 July 2015
Darren Stralow	Non-Executive Director	Appointed 1 July 2015
Raymond Parry	Non-Executive Director	Appointed 29 May 2012, Resigned 1 July 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]	—	30,184,488 Ordinary Fully Paid Shares 7,232,546 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)	—	BC Iron Limited (Group) (11 October 2006 to present) (Chairman) Chalice Gold Limited (15 February 2007 to present) (Chairman) Danakali Limited (formerly South Boulder Mines Ltd.) (15 October 2012 to present) Pilbara Minerals Limited (1 July 2016 to present) (Chairman) Uranium Equities Limited (3 June 2003 to November 2013) (Chairman) Liontown Resources Limited (2 February 2006 to November 2013)

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.
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]	—	52,600,001 Ordinary Fully Paid Shares 19,366,197 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 to 31 July 2014) (Chairman & Acting Managing Director)

Directors' Report

Anthony Reilly	— Independent Non-Executive Director
Qualifications	— BEc
Appointed to the Board	— 1 July 2015
Experience	— Mr. Reilly is a significant shareholder of Venturex and had previously been a director of Venturex. He 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 8 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]	— 40,569,336 Ordinary Fully Paid Shares 4,031,334 Unlisted Opt
Internal Committees	— Member of the Audit Committee
Directorships held in other listed entities (Within the last 3 years)	— Paradigm Metals Ltd. (13 September 2013 to 08 March 2016) Hawkley Oil and Gas (14 October 2014 to 19 February 2016)

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 - Business Development 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]	— Nil
Internal Committees	— Member of the Nomination & Remuneration Committee
Directorships held in other listed entities (Within the last 3 years)	— Nil

Raymond Parry	— Non-Independent Non-Executive Director
Qualifications	— BBus(Acc/Fin), MBA, FCPA, GAICD
Appointed to the Board	— Appointed 29 May 2012, Resigned 1 July 2015
Experience	— Mr Parry is an accountant with over 25 years of experience in finance and management positions across a number of different industries. He has held senior management positions with Northern Star Resources Limited, St Barbara Ltd. and regional finance responsibilities for Kerr-McGee Corporation (USA) in the Asia Pacific. He has also held management positions in the banking industry.
Interest in Shares, Options and Performance Rights [1]	— Nil
Internal Committees	— Chair of the Audit Committee and Member of the Nomination & Remuneration Committee up to resignation.
Directorships held in other listed entities (Within the last 3 years)	— Nil

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.

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 2016, 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.

Directors' Report

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 Pilbara Copper – Zinc Project's 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.

Results and Review of Operations

Results

For the year ending 30 June 2016, the consolidated loss of the Group Entity was $2,979,094 (2015: $41,379,520). The loss result includes an impairment/write off of $2,055,767 (2015: $42,087,264) following a detailed review of the tenements, (see Note 12).

Review of Operations

Detailed review of operations can be found on page 2 of the annual report. At 30 June 2016, the Company had 1,746,194,595 quoted fully paid ordinary shares (2015: 1,547,869,181) and no quoted options issued over shares (2015: Nil). As at 30 June 2016 the Group Entity held cash reserves of $728,231 (2015: $1,059,171).

Profit (Loss) Per Share

Basic loss per share 0.18 cents (2015: Loss 2.67 cents).

Dividends

The Directors did not pay or declare any dividends during the 2016 financial year (2015: 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.

Subsequent Events

On 03 August 2016 the Company issued 166,666,667 fully paid ordinary shares at 0.6 cents per share to raise $1,000,000 before expenses, to sophisticated and professional investor clients of Euroz Securities.

As part of the issue of shares to sophisticated and professional investor clients of Euroz Securities the Company issued 83,333,342 unlisted options.

- 41,666,671 are exercisable at 1.5c per share within 12 months and expire on 03 August 2017.
- 41,666,671 are exercisable at 3c per share within 24 months and expire on 03 August 2018

On 31 August 2016 the Company issued 508,454,202 fully paid ordinary shares at 0.6 cents per share to raise $3,050,725 before expenses, through its Non-Renounceable Entitlement Issue.

As part of the Non-Renounceable Entitlement Issue the Company issued 254,227,158 unlisted options.

- 127,113,579 are exercisable at 1.5c per share within 12 months and expire on 31 August 2017.
- 127,113,579 are exercisable at 3c per share within 24 months and expire on 31 August 2018

On 8 September 2016 the Company issued the 190,053,632 fully paid ordinary shares at 0.6 cents per share to raise $1,140,321 before expenses, to sophisticated and professional investor clients of Euroz Securities, through the Shortfall Shares from its Non-Renounceable Entitlement Issue.

As part of the issue of Shortfall shares to sophisticated and professional investor clients of Euroz Securities the Company issued 95,026,826 unlisted options.

- 47,513,413 are exercisable at 1.5c per share within 12 months and expire on 31 August 2017.
- 47,513,413 are exercisable at 3c per share within 24 months and expire on 31 August 2018

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, other than those disclosed above.

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 WA Department of Environment Regulations (DER), the WA Department of Mines and Petroleum (DMP), the WA Department of Water (DoW) 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.

Directors' Report

Unissued shares under Option

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

	ASX code	Exercise price	Date granted	Expiry date	Number
Unlisted performance rights	VXRAA	Nil	11-Dec-15	11-Dec-22	19,366,197
Unlisted performance rights	VXRAA	Nil	04-Mar-16	04-Mar-22	7,000,000
Unlisted options	VXRAB	$0.015	03-Aug-16	03-Aug-17	41,666,671
Unlisted options	VXRAB	$0.030	03-Aug-16	03-Aug-18	41,666,671
Unlisted options	VXRAO	$0.015	31-Aug-16	31-Aug-17	127,113,579
Unlisted options	VXRAQ	$0.030	31-Aug-16	31-Aug-18	127,113,579
Unlisted options	VXRAO	$0.015	08-Sep-16	31-Aug-17	47,513,413
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 2016 financial year, no ordinary shares of the Company were issued as a result of the exercise of options.

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, 7 Board meetings, 5 Audit Committee meetings and 3 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	7	7	5	5	3	3
John Nitschke	7	7	5	5	3	3
Anthony Reilly	7	7	3	3	N/A	N/A
Darren Stralow	7	6	N/A	N/A	2	2
Raymond Parry	0	0	0	0	0	0

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
John Nitschke	-	Managing Director (Appointed 1 December 2015)
	-	Interim CEO (Appointed 27 February 2015)
	-	Non-Executive Director (Appointed 30 August 2011, Resigned 17 April 2013, Appointed 4 July 2013)
Anthony Reilly	-	Non-Executive Director (Appointed 1 July 2015)
Darren Stralow	-	Non-Executive Director (Appointed 1 July 2015)
Raymond Parry	-	Non-Executive Director (Resigned 1 July 2015)
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

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 2015 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. In the 2013 financial year, the Board temporarily suspended the bonus formula linked to the achievement of Company targets (including project outcomes, share price performance and social licence criteria) as well as the individual employee's personal performance, with individual caps based on seniority and capacity to influence the performance of the Company. 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.

* As noted above the Board temporarily suspended the bonus formula linked to the achievement of Company targets.

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	Superannuation	Options and Rights	Total
	Year	Note	$	$	$	$
Anthony Kiernan	2016		79,092	7,158	-	86,250
	2015	5	90,192	7,808	-	98,000
John Nitschke	2016	6,8	265,162	9,357	51,578	326,097
	2015		91,500	-	-	91,500
Anthony Reilly	2016	1	89,506	8,285	-	97,791
	2015		-	-	-	-
Darren Stralow	2016	1	-	-	-	-
	2015		-	-	-	-
Michael Mulroney	2016		-	-	-	-
	2015	3,7	273,418	23,948	5,484	302,850
Raymond Parry	2016	2	-	-	-	-
	2015	4	56,096	3,904	-	60,000
Trevor Hart	2016	8	176,250	-	811	177,061
	2015		160,350	-	-	160,350
Total	**2016**		**610,010**	**24,800**	**52,389**	**687,199**
	2015		**671,556**	**35,660**	**5,484**	**712,700**

Note:
1. Commenced with the Company in the 2016 financial year.
2. Resigned from the Company in the 2016 financial year.
3. Resigned from the Company in the 2015 financial year.
4. Includes $Nil (2015: $15,000) paid to Northern Star Resources Ltd. as Director's Fees.
5. Includes $Nil (2015: $8,000) paid to Banff Holdings Pty. Ltd. as Director's Fees.
6. Commenced as Managing Director on 1 December 2015, previously Acting Managing Director and Non-Executive Director.
7. The fair value of the options is calculated at the date of grant using the Black Scholes option-pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options recognised as an expense in each reporting period.
8. 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 2016 or 2015 financial years.

Options and Performance Rights

The following table discloses the value of Options ("O") and Performance Rights("PR") granted, exercised, sold or lapsed during the 2016 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 (PR)	121,706	-	-	70,128	51,578
Key Management Personnel					
Trevor Hart (PR)	4,800	-	-	3,989	811
	126,506	-	-	74,117	52,389

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

The assessed fair value at grant date of options and 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 options and performance rights granted during the period have been included in Note 17 of the financial statements.

Directors' Report

The following table discloses the details in regards to Directors and Key Management Personnel Options ("O") and Performance Rights ("PR") granted during the 2016 financial year

	Tranche	Fair Value Per Right.	Grant Date	Exercise Price	Expiry Date	Vesting Date
Directors						
John Nitschke (PR)	1	$0.0054	11 Dec.2015	Nil	11 Dec 2022	50% Vest 1 Dec 2016 50% Vest 1 Dec 2017
John Nitschke (PR)	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 (PR)	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 Options ("O") and Performance Rights ("PR") during the 2016 financial year

	Balance 30 June 2015 No.	Initial Holding No.	Granted as Remuneration* No.	Exercised No.	Lapsed No.	Held at Resignation No.	Balance 30 June 2016 No.	Vested No.	Unvested No.	Vested %	Lapsed %
Directors											
John Nitschke (PR)	-	-	19,366,197	-	-	-	19,366,197	-	19,366,197	-	-
Key Management Personnel											
Trevor Hart (PR)	-	-	2,000,000	-	-	-	2,000,000	-	2,000,000	-	-
	-	-	21,366,197	-	-	-	21,366,197	-	21,366,197		

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

D. Shareholdings

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.

2016	Note	Balance at start of the year No.	Initial Holding 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		13,213,182	-	-	-	2,506,214	-	15,719,396
John Nitschke		-	-	-	-	25,666,667	-	25,666,667
Anthony Reilly		-	30,800,001	-	-	1,706,667	-	32,506,668
Darren Stralow		-	-	-	-	-	-	-
Former Directors								
Raymond Parry		19,500	-	-	-	-	19,500	-
Key Management Personnel								
Trevor Hart		1,313,819	-	-	-	1,975,176	-	3,288,995
		14,546,501	30,800,001	-	-	31,854,724	19,500	77,181,726

** 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 (2015: Nil).

F. Employment Contracts of Directors and Key Management Personnel

The following Directors and Key Management Personnel were under contract at 30 June 2016.

Name	➢ John Nitschke
Term of Contract	➢ Fixed Contract (2 years)
Commencement Date	➢ 01/12/15-30/11/17
Amount $	➢ Total fixed remuneration of $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.
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 ➢ 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

Directors' Report

Name	➢ Trevor Hart
Term of Contract	➢ Part-time (ongoing)
Commencement Date	➢ 5/04/13
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.

All Executives are eligible to receive bonuses through employment contracts and Board discretion. Subject to Board approval, their performance payments are based on a bonus formula linked to the achievement of measurable Company targets (including project outcomes, share price performance and social licence criteria) (weighting: 60% of possible bonus) as well as the individual employee's personal performance and KPI achievement (weighting: 40% of possible bonus), with individual caps based on seniority and capacity to influence the performance of the Company. The proportion between incentive and non-incentive remuneration is variable. 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. In the 2013 financial year, the Board temporarily suspended the bonus formula linked to the achievement of Company targets.

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

H. Other transactions with Key Management Personnel

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 2015 Annual General Meeting

Venturex Resources Ltd. received more than 99% of "yes" votes on its remuneration report for the 2015 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 9.

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

JOHN NITSCHKE
Managing Director

Dated this 23rd day of September 2016

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

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

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 2016, 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.

J Prue

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 23 September 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2016

	Note	2016 $	2015 $
Revenue			
Revenue	2a	794,230	366,234
Other Income	2b	9,547	758,044
Expenses			
Administrative expense	3	(257,942)	(613,905)
Corporate expense	3	(88,529)	(228,546)
Directors, employees and consultants fee	3	(623,792)	(1,053,209)
Exploration and evaluation expense	3	(93,743)	(511,544)
Closure costs		-	(135,770)
Loss on disposal of subsidiary		-	(223,665)
Impairment/write off of area of interest	3	(2,055,767)	(42,087,264)
Write off property, plant and equipment	3	-	(33,143)
Impairment/write off of trade and other receivables	3	405	(4,454)
Finance costs	4	(305,312)	(74,630)
Re-estimation of site rehabilitation provisions	4	(358,191)	2,462,332
Loss before income tax		**(2,979,094)**	**(41,379,520)**
Loss after income tax attributable to the owners of the Company		**(2,979,094)**	**(41,379,520)**
Other comprehensive income			
Items that may be reclassified to profit and loss:			
Foreign currency translation differences – foreign operations		-	219,930
Other comprehensive income for the period, net of tax		-	219,930
Total comprehensive loss for the period attributable to owners of the Company		**(2,979,094)**	**(41,159,590)**
Profit (loss) / Earnings per share			
Basic and Diluted Profit (loss) per share (cents)	7	(0.18)	(2.67)

The accompanying Notes form part of these financial statements.

Consolidated Statement of Financial Position as at 30 June 2016

	Note	2016 $	2015 $
Assets			
Current assets			
Cash and cash equivalents	8	728,231	1,059,171
Trade and other receivables	9	83,285	281,190
Other assets	10	64,749	141,234
Total current assets		**876,265**	**1,481,595**
Non-current assets			
Property, plant and equipment	11	1,442,927	1,660,420
Exploration and evaluation expenditure	12	23,055,563	23,553,340
Total non-current assets		**24,498,490**	**25,213,760**
Total assets		**25,374,755**	**26,695,355**
Liabilities			
Current liabilities			
Trade and other payables	13	626,581	330,894
Provisions	14	-	330,770
Employee benefits	15	8,964	3,080
Total current liabilities		**635,545**	**664,744**
Non-current liabilities			
Provisions	14	11,831,430	11,169,738
Employee benefits	15	12,630	11,709
Total non-current liabilities		**11,844,060**	**11,181,447**
Total liabilities		**12,479,605**	**11,846,191**
Net assets		**12,895,150**	**14,849,164**
Equity			
Issued capital	16	87,881,501	86,910,839
Reserves	16, 17	54,418	-
Accumulated losses		(75,040,769)	(72,061,675)
Total equity		**12,895,150**	**14,849,164**

The accompanying Notes form part of these financial statements.

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2016

	Note	Issued Capital $	Share Based Compensation Reserve $	Translation Reserve $	Accumulated Losses $	Total Equity $
Balance at 30 June 2014		**86,910,839**	**402,763**	**(219,930)**	**(31,090,402)**	**56,003,270**
Loss for the year		-	-	-	(41,379,520)	(41,379,520)
Other comprehensive income		-	-	219,930	-	219,930
Total comprehensive income for the year		**-**	**-**	**219,930**	**(41,379,520)**	**(41,159,590)**
Transactions with owners in their capacity as owners:						
Share based payments issued	17i, 17ii	-	5,484	-	-	5,484
Share based payments expired	17iv	-	(408,247)	-	408,247	-
		-	**(402,763)**	**-**	**408,247**	**5,484**
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 income 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**

The accompanying Notes form part of these financial statements.

Consolidated Statement of Cash Flows for the Year Ended 30 June 2016

	Note	2016 $	2015 $
Cash flows related to operating activities			
Payments to suppliers and employees		(1,204,020)	(1,737,987)
Interest received		11,491	58,363
Interest paid		(1,783)	(1,475)
Proceeds SX-EW profit share		1,048,482	-
Research and development tax received – non capitalised portion		46,077	246,100
Net cash used in operating cash flows	23a	**(99,753)**	**(1,434,999)**
Cash flows related to investing activities			
Payment for purchases of plant and equipment		(1,353)	-
Proceeds from sale of plant and equipment		-	1,641,588
Proceeds from sale of tenement		-	387,500
Payment for exploration and evaluation expenditure		(1,321,137)	(1,970,754)
Proceeds from redemption of bank guarantee		47,231	12,000
Research and development tax received – capitalised portion		73,270	1,261,077
Net cash provided by / (used) in investing cash flows		**(1,201,989)**	**1,331,411**
Cash flows related to financing activities			
Proceeds from issue of securities		991,627	-
Capital raising costs		(20,965)	-
Proceeds from insurance premium funding		44,764	44,582
Repayment of insurance premium funding		(44,624)	(35,804)
Net cash provided by in financing cash flows		**970,802**	**8,778**
Net decrease in cash and cash equivalents		**(330,940)**	**(94,810)**
Cash and cash equivalents at the beginning of the year		1,059,171	1,159,329
Effect of exchange rate changes on cash and cash equivalents		-	(5,348)
Cash and cash equivalents at the end of the year	8	**728,231**	**1,059,171**

The accompanying Notes form part of these financial statements.

Notes to the 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 22nd September 2016.

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

The Group Entity incurred a loss before income tax of $2,979,094 (2015: $41,379,520) and a cash balance of $728,231 (2015: $1,059,171).

On 03 August 2016 the Company issued 166,666,667 fully paid ordinary shares at 0.6 cents per share to raise $1,000,000 before expenses, to sophisticated and professional investor clients of Euroz Securities.

On 31 August 2016 the Company issued 508,454,202 fully paid ordinary shares at 0.6 cents per share to raise $3,050,725 before expenses, through its Non-Renounceable Entitlement Issue.

On 08 September 2016 the Company issued 190,053,632 fully paid ordinary shares at 0.6 cents per share to raise $1,140,321 before expenses, to sophisticated and professional investor clients of Euroz Securities.

As a result of the Capital raising the Company has sufficient funding to progress its budgeted Board approved exploration program.

The financial statements have been prepared on the basis of going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

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.

Certain comparative amounts have been reclassified to conform to the current year's presentation.

(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 2016 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.

(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. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit and loss.

Notes to the Financial Statements

(c) Financial Instruments

<u>Non-derivative financial assets</u>

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.

<u>Non-derivative financial liabilities</u>

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

<u>Recognition and measurement</u>

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.

<u>Depreciation</u>

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:

	2016	2015
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	Nils	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 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.

- Amortisation
- 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 and 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 and 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 - Options
The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of the reporting period such that the amount recognised as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Share-based payment transactions – Performance Rights

The fair value of performance rights granted under Tranche 1, with the relative Total Shareholder Return ("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 granted under Tranche 2, with the material transaction condition, is 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 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, unwinding of the discount on contingent liabilities, 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.

Foreign currency gains and losses are reported on a net basis.

(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 balance 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.

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.

(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

<u>Ordinary shares</u>

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.

Notes to the Financial Statements

(r) Use of Estimates and Judgments

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.

<u>Critical judgements in applying the entity's accounting policies</u>

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.

<u>Key sources of estimation uncertainty</u>

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 the performance rights issued under Tranche 1 with the relative Total Shareholder Return ("TSR") condition is calculated using a Monte-Carlo simulation model, taking into account the impact of the TSR condition.

The fair value of performance rights issued under Tranche 2, with the material transaction condition is 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 2016/1 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 2016. They have not been adopted in preparing the financial statements for the year ended 30 June 2016 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.

<u>**Financial Instruments**</u>

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: Adoption of AASB 9 is only mandatory for the year ending 30 June 2019. The entity has not yet made an assessment of the impact of these amendments.

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.

Impact on Initial Application: Adoption of AASB 9 is only mandatory for the year ending 30 June 2019. The entity has not yet made an assessment of the impact of these amendments.

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.

Revenue from Contracts with Customers

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: Due to the recent release of this standard, the entity has not yet made a detailed assessment of the impact of this standard.

Leases

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 onto its balance sheet 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 balance sheet 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: Due to the recent release of this standard, the entity has not yet made a detailed assessment of the impact of this standard.

Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle

AASB reference: AASB 2015-1 (issued January 2015)

Nature of Change: Non-urgent but necessary changes to standards

Application date: Annual reporting periods beginning on or after 1 January 2016

Impact on Initial Application: These amendments affect presentation and disclosures only. Therefore on first time adoption of these amendments on 1 July 2016, comparatives will need to be restated in line with presentation and note ordering.

(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 2016.

Notes to the Financial Statements

Note 2 – Revenue and Other Income

	Note	2016 $	2015 $
(a) Revenue			
- Interest income on bank deposits		11,285	53,167
- SX-EW Profit Share	i	782,945	313,067
		794,230	366,234
(b) Other Income			
Non-operating activities			
- Gain on disposal of assets held for sale		3,179	754,393
- Other income		6,368	3,651
Total other income		9,547	758,044

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 30% Net Profit Interest ("NPI") from 1 January 2016, previously 15%.

Note 3 - Other Expenses

	Note	2016 $	2015 $
Administrative expense			
- Compliance		43,344	38,515
- Depreciation		192,102	278,410
- Operating Leases	19	24,441	227,322
- Gain on derecognition of stamp duty		(330,770)	-
- Other administrative expenses		328,825	69,658
Administrative expense		257,942	613,905
Corporate expense			
- Auditing and taxation		51,271	116,025
- Entertainment expenses		2,538	247
- Legal cost		4,838	65,555
- Recruitment expenses		-	15,000
- Travel expenses		29,882	31,719
Corporate expense		88,529	228,546
Directors, employees and consultants fee			
- Directors and employee fee		360,744	666,330
- Consultants fee		208,630	381,395
- Share based payments	17	54,418	5,484
Directors, employees and consultants fee		623,792	1,053,209
Exploration and evaluation expense			
- Exploration and evaluation expense		93,743	511,544
Exploration and evaluation expense		93,743	511,544
Impairment/Write-off			
- Write-off / Impairment of capitalised exploration	12	2,055,767	42,087,264
- Write-off property, plant and equipment	11	-	33,143
- Write-off / Impairment of trade and other receivables		(405)	4,454
Impairment/Write-off		2,055,362	42,124,861

Note 4 - Finance Income and Finance Costs

	Note	2016 $	2015 $
Recognised in profit or loss			
Interest expense on financial liabilities measured at amortised cost (being Mine Rehabilitation Provision)	14	(303,501)	(72,821)
Re-estimation adjustment on site rehabilitation provision	14	(358,191)	2,462,332
Interest expense		(1,811)	(1,809)
Net finance costs recognised in profit or loss		(663,503)	2,387,702

Notes to the Financial Statements

Note 5 - Income Tax Expense

		2016 $	2015 $
(a)	**Income tax recognised in profit or loss**		
	Current tax expense	-	-
	Deferred tax (credit) expense	-	-
	Total income tax expense	-	-
(b)	*Loss before tax*	(2,979,094)	(41,379,520)
	Income tax using the domestic corporation tax rate of 30% (2015: 30%)	(893,728)	(12,413,856)
	Increase/(decrease) in income tax expense due to:		
	Non-deductible expenses	723,628	12,733,900
	Deductible expenses	(404,137)	(515,091)
	Tax losses not brought to account	574,237	195,047
	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:

	2016 $	2015 $
Taxable temporary differences	3,594,117	3,435,342
	3,594,117	3,435,342

(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:

	2016 $	2015 $
Deductible temporary differences	6,415,863	6,653,696
Tax losses	19,810,767	18,383,481
	26,226,630	25,037,177

(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

	2016 $	2015 $
Remuneration of the auditor of the Group Entity for:		
auditing or reviewing the financial report	30,724	33,256
	30,724	33,256

Note 7 - Loss per Share

		2016	2015
(a)	Basic and diluted loss per share (cents)	(0.18)	(2.67)
(b)	Net loss used in the calculation of basic loss per share and diluted loss per share	($2,979,094)	($41,379,520)
(c)	Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share and diluted loss per share	1,651,908,742	1,547,869,181

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

	2016 $	2015 $
Cash at bank	681,000	556,536
Call deposits	47,231	502,635
Total cash and cash equivalents	728,231	1,059,171

Note 9 - Trade and Other Receivables

	2016 $	2015 $
Trade and other receivables	83,285	285,644
Provision for impairment	-	(4,454)
Total Trade and other receivables	83,285	281,190

Notes to the Financial Statements

Note 10 - Other Assets

	2016 $	2015 $
Prepayments	49,749	79,003
Cash backed rental bonds	15,000	62,231
Total Other Assets	64,749	141,234

Note 11 - Property, Plant and Equipment

	2016 $	2015 $
Property, Plant and Equipment:		
At cost	2,947,606	2,968,994
Accumulated depreciation	(1,504,679)	(1,308,574)
Total Property, Plant and Equipment	1,442,927	1,660,420

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.

	Note	2016 $	2015 $
Total Property, Plant and Equipment			
Carrying amount at the beginning of year		1,660,420	2,111,908
Additions		8,839	-
Disposals		-	(96,386)
Depreciation expense		(192,103)	(278,410)
R&D tax offset received		(34,229)	(41,075)
Write Off		-	(33,143)
Effects of movement in exchange rate		-	(2,474)
Carrying amount at the end of year		1,442,927	1,660,420
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		112,912	183,969
Depreciation expense		(71,252)	(71,057)
Carrying amount at the end of year		41,660	112,912
Leasehold Improvements			
Carrying amount at the beginning of year		1,192	7,894
Depreciation expense		(1,192)	(6,702)
Carrying amount at the end of year		-	1,192
Plant and Equipment			
Carrying amount at the beginning of year		1,526,316	1,900,045
Additions		8,839	-
Disposals		-	(96,386)
Depreciation expense		(119,659)	(200,651)
R&D tax offset received		(34,229)	(41,075)
Write Off	3	-	(33,143)
Effects of movement in exchange rate		-	(2,474)
Carrying amount at the end of year		1,381,267	1,526,316

Note 12 – Exploration and Evaluation Expenditure

	2016	2015
Exploration & evaluation expenditure		
At cost	62,005,377	64,964,176
Accumulated impairment loss	(38,949,814)	(41,410,836)
Net carrying value	23,055,563	23,553,340

Movements in Carrying Amounts of exploration and evaluation expenditure

	Note	2016 $	2015 $
Exploration & evaluation expenditure			
Balance at the beginning of year		23,553,340	65,274,278
Additions incurred during the year		1,585,011	1,127,973
Disposals incurred during the year	a	-	(387,500)
Write off / Impairment loss	3,12a	(2,055,767)	(42,087,264)
R&D tax offset received		(27,021)	(374,147)
Closing carrying value at the end of year		23,055,563	23,553,340

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

During 2015, following a review of technical, economic and contractual aspects of the following Projects, the Directors of the Group Entity concluded that the carrying values on the following projects were overstated. Therefore the Group Entity impaired $41,410,836 previously capitalised exploration expenditure.

Notes to the Financial Statements

The recoverable amount of the exploration and evaluation expenditure was based on the fair value less costs of disposal, estimated using a non-binding offer received from Orion Finance Group for the sale of the assets on 22 May 2015. The fair value measurement was categorised as a Level 2 fair value.

The impairment has impacted the Australian Exploration operating segments – Refer to Note 22.

No further impairment has been identified in 2016 other than the write-off of $2,055,767 detailed below.

(a) Write Off / Impairment Loss

Project	Tenement	Reason	Date	2016	2015
Salt Creek	E47/924	Sold *	8 May 2015	-	574,971
Mt Satirist	E47/2674	Surrendered	16 Oct 2014	-	91,029
Mt Panorama	P45/2607	Surrendered	29Apr 2015	-	10,428
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	-
Salt Creek	N/A	Impairment	N/A	-	5,910,091
Whim Creek	N/A	Impairment	N/A	-	2,945,506
Sulphur Springs	N/A	Impairment	N/A	-	32,555,239
				2,055,767	42,087,264

The tenements that have been sold or surrendered were non-core Exploration Tenements.

* The Company received net proceeds of $387,500 for the sale of E47/924, within the Salt Creek Tenement package on 8 May 2015.

Note 13 - Trade and Other Payables

	2016 $	2015 $
Trade and other payables	508,804	206,751
Accrued expenses	86,397	92,903
Insurance premium funding	31,380	31,240
Total Trade and Other Payables	626,581	330,894

Note 14 - Provisions

	Note	2016 $	2015 $
Stamp Duty :			
Opening balance at beginning of year		330,770	330,770
Unused amounts reversed		(330,770)	-
Balance at end of the year		-	330,770
Mine Rehabilitation:			
Opening balance at beginning of year		11,169,738	13,559,249
Increase (Decrease) in the discounted amount arising because of change in assumptions	3	358,191	(2,462,332)
Interest Expense	3	303,501	72,821
Balance at end of the year		11,831,430	11,169,738
Total Provisions			
Current		-	330,770
Non-current		11,831,430	11,169,738
		11,831,430	11,500,508

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:

	2016	2015
Inflation Rate – CPI	1.00%	1.50%
High Yield Interest Rate	3.32%	4.20%
Estimated commencement of outflow	First Quarter 2023	First Quarter 2023

Contingent Liability

As part of the acquisition of Venturex Pilbara Pty. Ltd, Venturex included as part of the purchase consideration a future payment 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. 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 not obtained; Venturex will instead pay the amount of $3,500,000 cash.

As a result of the Company's decision to embark on an enhancement programme of the Pilbara Copper-Zinc Project, a definitive date for the commencement of mining is unable to be determined and no liability has been recognised during the year.

Notes to the Financial Statements

Note 15 - Employee Benefits

	2016 $	2015 $
Annual Leave:		
Opening balance at beginning of year	3,080	114,420
Additional provisions raised during year	16,226	74,076
Amounts used	(10,342)	(183,094)
Effects of movement in exchange rate	-	(2,322)
Balance at end of the year	8,964	3,080
Long Service Leave:		
Opening balance at beginning of year	11,709	22,553
Additional provisions raised during year	921	29,601
Amounts used	-	(19,546)
Unused amounts reversed	-	(20,899)
Balance at end of the year	12,630	11,709
Total Employee Benefits		
Current	8,946	3,080
Non-current	12,630	11,709
	21,576	14,789

Note 16 – Capital and Reserves

	Note	2016 $	2015 $
Ordinary shares fully paid	a	87,881,501	86,910,839
Share based payment reserve	d(i)	54,418	-
		87,935,919	86,910,839

(a) Ordinary Shares fully paid		2016 No.	2016 $	2015 No.	2015 $
At the beginning of reporting period		1,547,869,181	86,910,839	1,547,869,181	86,910,839
Shares issued during year	(i)	198,325,414	991,627	-	-
Exercise of Options – Shares issued during the year		-	-	-	-
Transaction costs relating to share issues	(i)	-	(20,965)	-	-
At end of the reporting period		1,746,194,595	87,881,501	1,547,869,181	86,910,839

(i)	**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
	2015	**Details**	**No.**	**Issue Price $**	**$**
	30-Jun-15	Shares issued under rights issue	-	-	-
		Cost of raising capital	-		-
			-		-

(b) 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.

(c) 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.

(d) 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.

Notes to the Financial Statements

Note 17 - Share-Based Payments Reserve

		2016 $	2015 $
At beginning of the reporting period		-	402,763
Unlisted Options & Performance Rights issued	(i)	54,418	-
Unlisted Options & Performance Rights expensed over vesting period	(ii)	-	5,484
Unlisted Options & Performance Rights exercised	(iii)	-	-
Unlisted Options & Performance Rights expired	(iv)	-	(408,247)
At end of the reporting period		54,418	-

(i) Unlisted Options and Performance Rights issued.

2016	Details	No.	Fair Value $	Value at Grant Date $	To Expense in future periods $	Expensed in 2016 $
11-Dec-15	Issue of unlisted performance rights to Directors	9,683,098	0.0054	52,289	30,129	22,160
11-Dec-15	Issue of unlisted performance rights to Directors	9,683,099	0.0072	69,417	39,999	29,418
04-Mar-16	Issue of unlisted performance rights to Key Management Personnel	2,000,000	0.0024	4,800	3,989	811
04-Mar-16	Issue of unlisted performance rights to Employees and Contractors	5,000,000	0.0024	12,000	9,971	2,029
		26,366,197		138,506	84,088	54,418

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 $51,578 was expensed during the financial year (2015: Nil). 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.

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 $2,903 was expensed during the financial year (2015: 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.

There were no Options or Performance Rights issued to Directors or Other Key Management Personnel during the financial year ending 30 June 2015.

(ii) Unlisted Options and Performance Rights expensed over vesting period.
There were no Options or Performance Rights expensed over vesting period during the financial year ending 30 June 2016, other than the above.

2015	Details	No.	Fair Market Value $	Value at Grant Date $	Expensed in 2015 $
02-Dec-13	Issue of options to Directors and Key Management Personnel	10,000,000	0.001	12,914	5,484
		10,000,000		12,914	5,484

(iii) Unlisted Options or Performance Rights Exercised

There were no unlisted options or Performance Rights exercised for the year ended 30 June 2016 or 30 June 2015.

(iv) Unlisted Options and Performance Rights Expired

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

2015 Expiry Date	Details	No.	Fair Market Value $	Value at Grant Date $	Expensed over vesting period $
5-Dec-14	Expiry of Options – VXRAS	(6,000,000)	0.035	213,749	(213,749)
8-Jun-15	Expiry of Options – VXRAK	(10,000,000)	0.016	165,086	(165,086)
8-Jun-15	Expiry of Options – VXRAU	(10,000,000)	0.002	16,498	(16,498)
8-Jun-15	Expiry of Options – VXRAU	(10,000,000)	0.001	12,914	(12,914)
		(36,000,000)		408,247	(408,247)

A total of 6,000,000 unlisted options expired on 5 December 2014. The value of these options is $213,749, of which $213,749 was reversed to accumulated losses during the year ended 30 June 2015.

A total of 10,000,000 unlisted options expired on 8 June 2015. The value of these options is $165,086, of which $165,086 was reversed to accumulated losses during the year ended 30 June 2015.

A total of 10,000,000 unlisted options expired on 8 June 2015. The value of these options is $16,498, of which $16,498 was reversed to accumulated losses during the year ended 30 June 2015.

A total of 10,000,000 unlisted options expired on 8 June 2015. The value of these options is $12,914, of which $12,914 was reversed to accumulated losses during the year ended 30 June 2015.

Notes to the Financial Statements

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

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 (VXRAA)	Nil	11-Dec-22	-	19,366,197	-	-	19,366,197
Unlisted Performance Rights (VXRAA)	Nil	04-Mar-22	-	7,000,000	-	-	7,000,000
			-	26,366,197	-	-	26,366,197

2015	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 Options (VXRAS)	0.150	05-Dec-14	6,000,000	-	-	(6,000,000)	-
Unlisted Options (VXRAK)	0.120	22-Jul-15	10,000,000	-	-	(10,000,000)	-
Unlisted Options (VXRAU)	0.025	01-Dec-16 *	10,000,000	-	-	(10,000,000)	-
Unlisted Options (VXRAU)	0.035	01-Dec-16 *	10,000,000	-	-	(10,000,000)	-
			36,000,000	-	-	(36,000,000)	-

* The Unlisted Options (VXRAU) expired on 8 June 2015. The Unlisted Options were issued to Michael Mulroney (previous Managing Director) and expired on stepping down to pursue other opportunities.

(b) Expenses Arising From Share-Based Payment Transactions

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

	2015 $	2015 $
Compensation to Directors & Key Management Personnel	52,389	5,484
Compensation to Employees & Contractors	2,029	-
	54,418	5,484

Note 18 - Fair Value of Options and Performance Rights Granted

Unlisted Performance Rights with TSR conditions

The fair value of performance rights granted under Tranche 1, with the 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:

	2016	2015
Underlying share price on grant date	$0.003 to $0.007	Nil
Strike Price	Nil	Nil
Risk free interest rate	1.95% to 2.00%	Nil
Expected dividend yield	Nil	Nil

Unlisted Performance Rights with Material Transactions conditions

The fair value of performance rights granted under Tranche 2, with the relative Material Transactions condition is calculated at the Volume Weighted Average Price (VWAP) of Shares on the day of issue.

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

Note 19 - Operating Leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2016 $	2015 $
not later than 12 months	1,218	24,441
between 12 months and 5 years	-	1,218
greater than 5 years	-	-
	1,218	25,659

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

The small appliances lease runs for a period of 5 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 2016, $24,441 was recognised as an expense in the profit or loss in respect of operating leases (2015: $227,322).

Notes to the Financial Statements

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:

	2016 $	2015 $
- not later than 12 months	1,054,768	1,319,225
- between 12 months and 5 years	-	-
- greater than 5 years	-	-
	1,054,768	1,319,225

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.
- 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.

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 two reportable segments from a geographical prospective with the mineral exploration segments being Australian and Brazilian segments. The Company disposed of the Brazilian subsidiary incorporated in Brazil; CMG Mineração Ltda. on 18 May 2015.

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 $
2016			
Segment revenue	-	-	-
Segment other income	-	-	-
Segment loss			
Total segment loss	(3,489,849)	-	(3,489,849)
Inter-segment loss	-	-	-
Net segment loss	(3,489,849)	-	(3,489,849)
Total segment assets	25,374,755	-	25,374,755
Total segment liabilities	(12,479,605)	-	(12,479,605)
2015			
Segment revenue	-	-	-
Segment other income	-	-	-
Segment loss			
Total segment loss	(40,684,958)	(765,631)	(41,450,589)
Inter-segment loss	-	-	-
Net segment loss	(40,684,958)	(765,631)	(41,450,589)
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 loss before tax is provided as follows:

		2016 $	2015 $
Net segment loss		(3,489,849)	(41,450,589)
Corporate items:			
Interest revenue	2	11,285	53,167
Other revenue	2	792,492	1,071,111
Administrative expense	3	330,770	-
Employee and Directors; benefits expense	3	(623,792)	(1,053,209)
Net loss before tax from continuing operations		(2,979,094)	(41,379,520)

Notes to the Financial Statements

Note 23 - Cash Flow Information

		Note	2016 $	2015 $
(a)	Reconciliation of Cash Flow from Operations with Comprehensive Income			
	Loss for the period		(2,979,094)	(41,379,520)
	Add back depreciation expense	11	192,102	278,732
	Add back interest from other parties		(1,783)	(1,475)
	Add back share based payment expense	17b	54,418	5,484
	Add back write-off/impairment of area of interest	12	2,055,767	42,087,264
	Add back income from investing activities		(47,231)	-
	Add back re-estimation of rehabilitation provision	14	358,191	(2,462,332)
	Add back unwind of discount on rehabilitation	14	303,501	72,821
	Add back derecognition of foreign currency reserve		-	223,665
	Net Gain on sale of plant & equipment		(4,997)	(754,392)
	Add back impairment of plant & equipment	11	-	33,143
	Decreases in other receivable		270,930	706,892
	Decreases in other current assets		55,757	37,988
	Decreases in accounts payable		(33,350)	(162,023)
	Increases (Decreases) in employee provisions		6,806	(121,246)
	Decreases in other current liabilities		(330,770)	-
	Cash flow used in operations		(99,753)	(1,434,999)

(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 2016 and 30 June 2015.

Note 24 - Controlled Entities

	Country of Incorporation	Percentage Owned (%)* 2016	2015
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 03 August 2016 the Company issued 166,666,667 fully paid ordinary shares at 0.6 cents per share to raise $1,000,000 before expenses, to sophisticated and professional investor clients of Euroz Securities.

As part of the issue of shares to sophisticated and professional investor clients of Euroz Securities the Company issued 83,333,342 unlisted options.

- 41,666,671 are exercisable at 1.5c per share within 12 months and expire on 03 August 2017.
- 41,666,671 are exercisable at 3c per share within 24 months and expire on 03 August 2018

On 31 August 2016 the Company issued 508,454,202 fully paid ordinary shares at 0.6 cents per share to raise $3,050,725 before expenses, through its Non-Renounceable Entitlement Issue.

As part of the Non-Renounceable Entitlement Issue the Company issued 254,227,158 unlisted options.

- 127,113,579 are exercisable at 1.5c per share within 12 months and expire on 31 August 2017.
- 127,113,579 are exercisable at 3c per share within 24 months and expire on 31 August 2018

On 8 September 2016 the Company issued the 190,053,632 fully paid ordinary shares at 0.6 cents per share to raise $1,140,321 before expenses, to sophisticated and professional investor clients of Euroz Securities, through the Shortfall Shares from its Non-Renounceable Entitlement Issue.

As part of the issue of Shortfall shares to sophisticated and professional investor clients of Euroz Securities the Company issued 95,026,826 unlisted options.

- 47,513,413 are exercisable at 1.5c per share within 12 months and expire on 31 August 2017.
- 47,513,413 are exercisable at 3c per share within 24 months and expire on 31 August 2018

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 Financial Statements

Note 26 - Deed of Cross Guarantee

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, the wholly-owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and Director's reports.

It is a condition of the Class Order 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 subsidiary subject to the Deed of Cross Guarantee 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 2016 is set out as follows:

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

	2016 $	2015 $
Revenue and Other Income	348,423	56,795
Administrative expense	(321,558)	(342,110)
Corporate expense	(87,958)	(220,534)
Directors, employees and consultants fee	(683,223)	(929,084)
Exploration and evaluation expense	15	(398,377)
Closure costs	-	(135,770)
Impairment/write off of intercompany investment	-	(16,961,702)
Impairment/write off of intercompany receivables	(2,355,896)	(6,385,553)
Impairment/write off of trade and other receivables	405	(4,454)
Impairment/write off of plant and equipment	-	(33,143)
Finance costs	(1,812)	(1,809)
Gain on derecognition of foreign currency reserve	-	(223,665)
Loss before income tax	**(3,101,604)**	**(25,579,406)**
Income tax expense	-	-
Loss after income tax attributable to the owners of the company	**(3,101,604)**	**(25,579,406)**
Other comprehensive income		
Items that may be reclassified to profit and loss:		
Foreign currency translation differences – foreign operations	-	219,930
Other comprehensive income for the period, net of tax	-	219,930
Total comprehensive loss for the period attributable to owners of the Company	**(3,101,604)**	**(25,359,476)**

Consolidated Statement of Financial Position for Closed Group

	2016 $	2015 $
Assets		
Current assets		
Cash and cash equivalents	728,231	1,059,171
Trade and other receivables	3,921	9,312
Other assets	63,350	119,107
Total current assets	**795,502**	**1,187,590**
Intercompany investments	1,439,883	1,190,791
Plant and equipment	31,885	38,477
Intercompany loans	11,341,072	13,368,651
Total non-current assets	**12,812,840**	**14,597,919**
Total assets	**13,608,342**	**15,785,509**
Liabilities		
Current liabilities		
Trade and other payables	481,839	259,459
Provisions	-	330,770
Employee benefits	8,964	3,080
Total current liabilities	**490,803**	**593,309**
Non-current liabilities		
Intercompany loans	209,760	210,006
Employee benefits	12,630	11,709
Total non-current liabilities	**222,390**	**221,715**
Total liabilities	**713,193**	**815,024**
Net assets	**12,895,149**	**14,970,485**
Equity		
Issued capital	87,881,501	86,910,839
Reserves	54,418	-
Accumulated losses	(75,040,770)	(71,940,354)
Total equity	**12,895,149**	**14,970,485**

Notes to the 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:

	2016 $	2015 $
Short-term employee benefits	610,010	671,556
Post-employment benefits	24,800	35,660
Share-based payments	52,389	5,484
	687,199	712,700

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 $577,619 (2015 Repaid: $407,816) to wholly owned subsidiaries.

The loans are unsecured, interest rate free (2015: 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 2016. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2016 $	2015 $
Current assets	795,502	1,187,552
Non-current assets	12,812,840	14,597,956
Total assets	**13,608,342**	**15,785,508**
Current liabilities	490,803	593,309
Non-current liabilities	222,390	221,715
Total liabilities	**713,193**	**815,024**
Contributed equity	87,881,501	86,910,839
Reserves	54,418	-
Accumulated losses	(75,040,770)	(71,940,355)
Total Equity	**12,895,149**	**14,970,484**
Profit / (loss) for the year	(3,100,415)	(39,819,476)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**(3,100,415)**	**(39,819,476)**

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 Instruments

(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 2016 (2015: 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 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 $
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
2015					
Financial Assets:					
Cash and cash equivalents	8	1.6%	1,059,171	-	1,059,171
Trade and other receivables	9	-	-	281,190	281,190
Other assets	10	2.15%	62,231	-	62,231
Total Financial Assets			1,121,402	281,190	1,402,592
Financial Liabilities:					
Trade and other payables	13		-	330,896	330,896
Total Financial Liabilities			-	330,896	330,896

Interest rate sensitivity analysis

The following table indicates the impact on how profit or loss income and equity values reported at balance 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 2016	+/-15,000	-
- Year ended 30 June 2015	+/-22,000	-

(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 (2015: $4,454).

	Note	0-30 days	30-60 days	60-90 days	90+day	Total
2016						
Trade and other receivables	9	81,731	-	-	1,554	83,285
2015						
Trade and other receivables	9	281,190	-	-	-	281,190

(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 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
2016						
Trade and other payables	13	600,929	25,652	-	-	626,581
2015						
Trade and other payables	13	318,244	12,650	-	-	330,894

(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

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 1 to 32, are in accordance with the Corporations Act 2001 and :

   (a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (b) give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date;

2. the Chief Executive Officer and Chief Finance Officer have each declared that:

   (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

   (b) the financial statements and notes for the financial year comply with the Accounting Standards; and

   (c) the financial statements and notes for the financial year give a true and fair view.

   (d) 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.

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

3. 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
<u>Managing Director</u>

Dated this 23rd day of September 2016

Tel: +61 8 6382 4600
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 Financial Report

We have audited the accompanying financial report of Venturex Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2016, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, 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 report.

Opinion

In our opinion:

(a) the financial report of Venturex Resources Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 8 of the directors' report for the year ended 30 June 2016. 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.

Opinion

In our opinion, the Remuneration Report of Venturex Resources Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

J Prue

Jarrad Prue

Director

Perth, 23 September 2016

Supplementary Information

The following Supplementary Information is provided as at 15 September 2016:

EQUITY SECURITIES HOLDER INFORMATION

Ordinary Shares
2,611,369,096 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	75	7,639	0.00%
1,001 – 5,000	28	101,848	0.00%
5,001 – 10,000	75	630,603	0.02%
10,001 – 100,000	535	27,055,381	1.04%
100,001 – 99,999,999,999	784	2,583,573,625	98.94%
TOTAL	1,497	2,611,369,096	100.00%

426 Shareholders held less than a marketable parcel (<$500) of ordinary fully paid shares based on the current market price ($0.012 – 15-9-2016).

Twenty Largest Holders of Ordinary Fully Paid Shares		No of Shares	
1.	REGENT PACIFIC GROUP LTD	587,184,454	22.49
2.	NORTHERN STAR RESOURCES LIMITED	355,000,000	13.59
3.	HENGHOU INDUSTRIES (HONG KONG) LIMITED	157,889,237	6.05
4.	PRECISION OPPORTUNITIES FUND LTD	83,333,333	3.19
5.	GREENRIDGE HOLDINGS PTY LTD <ASPEN PLAINS SERVICE A/C>	54,411,851	2.08
6.	ANGKASA PTY LTD <ANGKASA SUPER FUND A/C>	52,600,001	2.01
7.	ARGONAUT EQUITY PARTNERS PTY LIMITED	44,999,999	1.72
8.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	36,152,428	1.38
9.	MAINPLAY PTY LTD <S & C DI VINCENZO S/F A/C>	31,422,183	1.2
10.	AFM PERSEUS FUND LIMITED	27,400,000	1.05
11.	MR ANTHONY WILLIAM KIERNAN	27,132,449	1.04
12.	CITICORP NOMINEES PTY LIMITED	25,695,004	0.98
13.	MR ANTHONY MILES REILLY	25,200,002	0.97
14.	BLAMNCO TRADING PTY LTD	25,000,001	0.96
15.	MR GARRY JOHN RISHWORTH + MRS ANGELA HANNY IRAWATI <GJ RISHWORTH S/F A/C>	22,400,000	0.86
16.	DOVE NOMINEES PTY LTD <DOVE SUPER FUND A/C>	21,725,277	0.83
17.	STANLEY ROGER PTY LTD	16,666,666	0.64
18.	GOLDFIRE ENTERPRISES PTY LTD	16,666,664	0.64
19.	CLARK SUPERANNUATION FUND PTY LTD <RAMON & ROSALIND CLARK SF AC>	16,200,183	0.62
20	MRS MELANIE JANE CHESSELL	16,000,000	0.61
		1,643,079,732	**62.92**

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
Regent Pacific Group Limited	587,184,454	22.49	12/09/2016
Northern Star Resources Limited	355,000,000	13.59	12/09/2016
Henghou Industries (Hong Kong) Limited	96,433,771	6.72	19/04/2013

* 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) 9389 7871

This page is intentionally left blank

VENTUREX
RESOURCES LIMITED