



VENTUREX RESOURCES LIMITED

ABN 28 122 180 205

Interim Financial Report

**For the Half Year Ended
31 December 2016**

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2016 and any public announcements made by Venturex Resources Limited during the half year to 31 December 2016 in accordance with the continuous disclosure of the Corporations Act 2001.

Corporate Directory

DIRECTORS

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

COMPANY SECRETARY

Trevor Hart

REGISTERED OFFICE / PRINCIPAL PLACE OF BUSINESS

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ABN

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WEBSITE

www.venturexresources.com

QUOTED SECURITIES

ASX Code: VXR Shares

AUDITORS

BDO Audit (WA) Pty Ltd
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SHARE REGISTRY

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Directors' Report

Your Directors present their report on the Group consisting of Venturex Resources Limited (Venturex) and the entities it controlled at the end of, or during, the half year ended 31 December 2016.

Directors

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

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

Financial Results

The consolidated loss before and after income tax of the Group during the half year ended 31 December 2016 was \$1,101,895 (31 December 2015: \$1,887,392).

The result includes a net write off/impairment expense of Nil (31 December 2015: \$1,632,376) of capitalised exploration and evaluation costs following a detailed review of the tenements.

Dividend

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

Review of Operations

During the six months ended 31 December 2016, the Company's principal continuing activity was the optimisation work of the Pilbara's Zinc-Copper Projects, acquisition of mineral tenements and mineral exploration. During the half-year Venturex Resources Limited continued to explore its tenements which are located in the Pilbara, Western Australia.

Sulphur Springs Zinc-Copper Project

During the six months ended 31 December 2016, Venturex continued to finalise the Value Engineering Study (VES) for the Sulphur Springs Zinc-Copper Project and released the results to the ASX subsequent to the half year (See *ASX Announcement on the 16 February 2017*). The VES delivered a highly encouraging result, outlining a robust development pathway with improved economics, a reduced risk profile and a lower capital cost.

Key outcomes of the VES included:

- 1Mt/pta mining operation with annual average production of 32,000t zinc and 12,000t copper metal in concentrates, with an initial mine life of 12 years.
- Base Case pre-tax NPV8% of A\$338M and IRR of 52%.
- Life-of-mine pre-tax cash flow of A\$601M with a C1 cash cost of US\$0.14 per pound of zinc

These results were achieved by three pieces of technical work over the past 18 months including:

- Recognition of the opportunity to mine the top half of the deposit using an open pit;
- Identifying a cheaper bulk mining method to lower half of the deposit; and
- Developing a new geological model that included a near surface high grade supergene inferred copper resource

Venturex has a three-pronged work plan for 2017 at the Sulphur Springs Zinc-Copper project, including:

- confirmatory drilling and test work on the inferred supergene resource;
- updating the existing environmental permits; and
- identifying funding options for the project.

The Company aims to complete this work by the last quarter of 2017, with the aim of securing funding during the first quarter of 2018 and commencing production in early 2019.

Directors' Report

Review of Operations continued

Whim Creek Zinc-Copper Project

During the six months ended 31 December 2016, Venturex was successful at drilling at the Whim Creek Project, with high grade assays confirm down plunge extensions to the zinc lead rich mineralisation in the east lode at Salt Creek deposit. Best results included (*refer ASX Announcement 20 October 2016*):

- **1.64m at 43.9% Zn**, 19.5% Pb, 551g/t Ag and 0.8g/t Au from 150.3m down hole (in hole 16VSCD001)
- **1.93m at 23.6% Zn**, 13.3% Pb, 802g/t Ag and 1.1g/t Au from 78.4m down hole (in hole 16VSCD003)

Three further diamond holes were drilled at Salt Creek to test targets generated by processing an historical down hole geophysical data set. All three holes were successful in extending the down plunge position of the mineralisation on each of the three lodes at Salt Creek (*refer ASX announcements 22 November 2016, 29 November 2016, 6 December 2016 and 12 January 2017*):

- **18.7m @ 2.42% copper** in hole 16VSCD008 from 457.8m
- **9.9m @ 8.76% zinc and 1.44% lead** from 265.2m and **1.7m @ 12.2% zinc and 5.97% lead** from 279.1m in hole 16VSCD009
- **10.6m @ 1.49% copper** from 434.0m and **6.9m @ 1.18% copper and 4.7% zinc** from 448.4m in hole 16VSCD007

The successful Salt Creek drilling program confirms that downhole geophysics combined with a good geological model are effective at generating drilling targets. Follow up down hole geophysical testing will be carried out at the Salt Creek and Mons Cupri deposits after the wet season.

Continued exploration success at the Whim Creek Zinc Copper project offers significant value for the Company as the existing infrastructure at Whim Creek will make it quick and inexpensive to bring any discovery into production.

Whim Creek Access Agreement with BlackRock Metals

During the six months ended 31 December 2016, production of copper cathode was 464 tonnes (2015 half-year: 594 tonnes).

During the half year Blackrock relocated a total of approximately 82,000 tonnes of low grade stockpiles to the top of the heap leach dumps and irrigation commenced early in September 2016. Stacking of the stockpiles has helped the project sustain production rates in the range of 2.4 to 2.8 tpd.

No net profit interest payment was received for the half year. Venturex does not manage the Operations and therefore does not provide guidance on the Income it expects to receive from the operation at this stage.

As per the Access Agreement with Blackrock the NPI interest increased from 30% to 49% as at 1 January 2017.

Further information on the Company's activities during the half-year financial period can be found in the Company's quarterly activity reports, released to the ASX and on the company website.

Directors' Report

Corporate

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

- Issue of 166,666,667 ordinary shares on 03 August 2016
- Issue of 508,454,202 ordinary shares on 31 August 2016
- Issue of 190,053,632 ordinary shares on 08 September 2016
- Conversion of 108,850 options into ordinary shares on 28 October 2016
- Issue of 83,333,342 options on 03 August 2016
- Issue of 254,227,158 options on 31 August 2016
- Issue of 95,026,826 options on 08 September 2016
- Issue of 15,431,958 performance rights on 13 December 2016
- Expiry of 11,901,547 performance rights on 01 December 2016

The Company's current capital on issue stands at:

- 2,611,477,946
- 36,263,798 unlisted performance rights
- 432,478,476 unlisted options

Events Subsequent to Reporting Date

On 16 February 2017, the Company released the results of the Value Engineering Study to the ASX.

On 24 February 2017, 11,250,000 Performance Rights were issued under the Performance Rights Plan to Employees.

On 24 February 2017, 4,883,200 Performance Rights previously issued to employees expired that did not meet the milestone criteria.

No other events or circumstances have arisen since 31 December 2016 that would require disclosure in this financial report.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on Page 4.

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



JOHN NITSCHKE
Managing Director

Dated: 14 March 2017

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

As lead auditor for the review of Venturex Resources Limited for the half-year ended 31 December 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd

Perth, 14 March 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year Ended 31 December 2016

	Notes	31 December 2016 \$	31 December 2015 \$
Revenue			
Revenue	3	28,850	288,810
Expenses			
Administrative expenses		(334,516)	59,584
Corporate expenses		(71,736)	(45,345)
Directors, employees, and consultants fees		(538,349)	(347,238)
Exploration and evaluation expenses		(47,497)	(58,966)
Write off / Impairment of exploration and evaluation expenses	4	-	(1,632,376)
Finance costs		(138,647)	(151,861)
Loss before income tax		(1,101,895)	(1,887,392)
Loss after income tax attributable to the owners of the company		(1,101,895)	(1,887,392)
Total comprehensive loss for the period attributable to owners of the Company		(1,101,895)	(1,887,392)
Loss / Earnings per share			
Basic loss per share		(0.05) cents	(0.12) cents
Diluted loss per share		(0.05) cents	(0.12) cents

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position as at 31 December 2016

	Notes	31 December 2016 \$	30 June 2016 \$
Current assets			
Cash and cash equivalents		2,732,827	728,231
Trade and other receivables		92,206	83,285
Other assets		67,825	64,749
Total current assets		2,892,858	876,265
Non-current assets			
Property, plant and equipment		1,351,618	1,442,927
Exploration and evaluation	4	24,939,564	23,055,563
Total non-current assets		26,291,182	24,498,490
Total assets		29,184,040	25,374,755
Current liabilities			
Trade and other payables		407,447	626,581
Employee benefits		11,840	8,964
Total current liabilities		419,287	635,545
Non-current liabilities			
Provisions (Rehabilitation Liability)		11,968,728	11,831,430
Employee benefits		11,895	12,630
Total non-current liabilities		11,980,623	11,844,060
Total liabilities		12,399,910	12,479,605
Net assets		16,784,130	12,895,150
Equity			
Issued capital	5	92,884,245	87,881,501
Reserves		42,549	54,418
Accumulated Losses		(76,142,664)	(75,040,769)
Total equity		16,784,130	12,895,150

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity for the Half Year Ended 31 December 2016

	Issued Capital \$	Share Based Compensation \$	Accumulated Losses \$	Total \$
Balance at 30 June 2015	86,910,839	-	(72,061,675)	14,849,164
Loss for the period	-	-	(1,887,392)	(1,887,392)
Total comprehensive income for the period	-	-	(1,887,392)	(1,887,392)
Transactions with owners in their capacity as owners:				
Issue of securities	991,627	-	-	991,627
Security issue costs	(20,965)	-	-	(20,965)
Share based payments issued	-	4,985	-	4,985
	970,662	4,985	-	975,647
Balance at 31 Dec 2015	87,881,501	4,985	(73,949,067)	13,937,419
Balance at 30 June 2016	87,881,501	54,418	(75,040,769)	12,895,150
Loss for the period	-	-	(1,101,895)	(1,101,895)
Total comprehensive income for the period	-	-	(1,101,895)	(1,101,895)
Transactions with owners in their capacity as owners:				
Issue of securities	5,191,047	-	-	5,191,047
Options exercised	1,633	-	-	1,633
Security issue costs	(189,936)	-	-	(189,936)
Share based payments issued	-	22,627	-	22,627
Share based payments expired	-	(34,496)	-	(34,496)
	5,002,744	(11,869)	-	4,990,875
Balance at 31 Dec 2016	92,884,245	42,549	(76,142,664)	16,784,130

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flow for the Half Year Ended 31 December 2016

	31 December 2016 \$	31 December 2015 \$
Cash flows related to operating activities		
Payments to suppliers and employees	(965,732)	(742,203)
Interest received	26,065	6,079
Interest paid	(1,349)	(1,099)
Proceeds SX-EW profit share	-	477,205
Net cash used in operating cash flows	(941,016)	(260,018)
Cash flows related to investing activities		
Payments for property, plant and equipment	(17,225)	(1,125)
Payment for exploration and evaluation	(2,008,176)	(806,118)
Increase in bank guarantee	(5,000)	-
Net cash used in investing cash flows	(2,030,401)	(807,243)
Cash flows related to financing activities		
Proceeds from issue of securities	5,191,047	991,627
Proceeds from issue of options	1,633	-
Capital raising costs	(189,936)	(10,194)
Repayment of insurance premium funding	(26,731)	(25,545)
Net cash provided in financing cash flows	4,976,013	955,888
Net increase (decrease) in cash and cash equivalents	2,004,596	(111,373)
Cash and cash equivalents at the beginning of the half year	728,231	1,059,171
Cash and cash equivalents at the end of the half year	2,732,827	947,798

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

Note 1. Basis of Preparation

Reporting Entity

Venturex Resources Limited is a company domiciled in Australia. The consolidated interim financial statements of the Company as at, and for the six months ended 31 December 2016, comprises the Company and its subsidiaries (together referred to as the "Group"), Venturex Pilbara Pty Ltd, Venturex Sulphur Springs Pty Ltd, Jutt Resources Pty Ltd, Juranium Pty Ltd, and CMG Gold Ltd.

Statement of Compliance

The general purpose financial statements for the interim half year reporting period ended 31 December 2016 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Venturex Resources Limited and its controlled entities (referred to as the Consolidated Group or the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this interim financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2016, together with any public announcements made during the half year.

Significant Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Company's 2016 annual financial report for the financial year ended 30 June 2016. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Significant Accounting Estimates and Assumptions

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

Going Concern

The financial statements have been prepared on the going concern basis of accounting which assumes that the Group will be able to meet its commitments, realise its assets and discharge its liabilities in the ordinary course of business.

The Group has approved a budget that contemplates an equity raising during the next financial year to fund an extensive exploration program in excess of its current cash reserves. However, the Group has the ability to defer exploration expenditure or divest assets in the event that the terms of an equity raising are not considered suitable to the Group.

Notes to the Financial Statements continued

Note 2. Segment Reporting

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

Management assesses the performance of the operating segment based on a measure of exploration and evaluation expenditure for the 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.

	31 Dec 2016	31 Dec 2015
Half-year ended 31 December 2016		
Segment revenue and other income	-	-
Segment loss		
Total segment loss	(581,487)	(2,159,734)
Inter-segment loss	-	-
Net segment loss	<u>(581,487)</u>	<u>(2,159,734)</u>
Total segment assets	29,184,040	25,514,099
Total segment liabilities	(12,399,910)	(11,576,680)

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

	31 Dec 2016	31 Dec 2015
	\$	\$
Net segment loss	(581,487)	(2,159,734)
Corporate items:		
Interest revenue	28,850	5,865
Other revenue	-	282,945
Administrative expense	(10,909)	330,770
Employee and Directors; benefits expense	(538,349)	(347,238)
Net loss before tax from continuing operations	<u>(1,101,895)</u>	<u>(1,887,392)</u>

Note 3. Revenue

	31 Dec 2016	31 Dec 2015
	\$	\$
Revenues		
Interest revenue on bank deposits	28,850	5,865
SX-EW Profit Share	-	282,945
	<u>28,850</u>	<u>288,810</u>

Note 4. Exploration and Evaluation Expenditure

	31 Dec 2016	31 Dec 2015
	\$	\$
Exploration and Evaluation Expenditure carrying value	<u>24,939,564</u>	<u>22,736,525</u>
Movements in Carrying Amounts of Exploration and Evaluation Expenditure		
Balance at the beginning of period	23,055,563	23,553,340
Additions during the period	1,884,001	815,561
Written off / Impairment during the period	-	(1,632,376)
Closing carrying value at the end of period	<u>24,939,564</u>	<u>22,736,525</u>

Notes to the Financial Statements continued

Note 5. Issued Capital

	31 December 2016		30 June 2016	
	No.	\$	No.	\$
Fully Paid Ordinary Shares	2,611,477,946	92,884,245	1,746,194,595	87,881,501
Total		<u>92,884,245</u>		<u>87,881,501</u>

During the half year ended 31 December 2016, the following movements in equity occurred:

Shares		Issue Price \$	No.	\$
	Balance as at 1 July 2016		1,746,194,595	87,881,501
03/08/2016	Issue of shares to cornerstone investors	0.006	166,666,667	1,000,000
31/08/2016	Issue of shares under entitlement issue	0.006	508,454,202	3,050,725
08/09/2016	Issue of shortfall shares under entitlement issue	0.006	190,053,632	1,140,322
28/10/2016	Conversion of options into shares	0.015	108,850	1,633
	Transaction costs relating to shares issued			(189,936)
			<u>2,611,477,946</u>	<u>92,884,245</u>

The weighted average number of ordinary shares outstanding during the year used in calculating the basic and diluted loss per share is 2,336,979,884.

Options (unlisted)

Date	Class	Details	Expiry Date	Exercise Price \$	Number
		Balance as at 1 July 2016			-
03/08/2016	A	Issue of options to cornerstone investors	03/08/2017	0.015	41,666,671
03/08/2016	B	Issue of options to cornerstone investors	03/08/2018	0.030	41,666,671
31/08/2016	A	Issue of options under entitlement issue	03/08/2017	0.015	127,113,579
31/08/2016	B	Issue of options under entitlement issue	03/08/2018	0.030	127,113,579
08/09/2016	A	Issue of shortfall options under entitlement issue	03/08/2017	0.015	47,513,413
08/09/2016	B	Issue of shortfall options under entitlement issue	03/08/2018	0.030	47,513,413
28/10/2016	A	Conversion of options into shares	N/A	0.015	(108,850)
					<u>432,478,476</u>

Performance Rights (unlisted)

Date	Tranche	Details	Fair Value per performance right \$	Number	Value at Grant Date \$	To Expense in future periods \$	Expensed for the half year \$
Balance as at 1 July 2016					26,366,197	138,506	54,418
Expensed during the period					-	(18,290)	-
Issue of performance rights							
13/12/2016	1	2016 MD LTI	0.0054	7,715,979	41,666	39,670	1,996
13/12/2016	2	2016 MD LTI	0.0079	7,715,979	61,534	59,194	2,340
Performance rights expensed over vesting							
31/12/2016	1	2016 LTI	0.0024	-	-	-	4,428
31/12/2016	1	2015 LTI	0.0054	-	-	-	8,719
31/12/2016	2	2015 LTI	0.0070	-	-	-	5,143
Performance rights expired							
31/12/2016	1	2015 LTI	0.0054	(2,218,448)	(5,078)	-	(5,078)
31/12/2016	2	2015 LTI	0.0070	(9,683,099)	(29,417)	-	(29,417)
				<u>29,896,608</u>	<u>207,211</u>	<u>164,662</u>	<u>42,549</u>

Notes to the Financial Statements continued

Note 5. Issued Capital continued

Performance Rights Plan

During the period the Company granted long term incentives rights ("performance rights -2016 MD LTI") which have been issued under the Company Performance Rights Plan. Each performance right will vest as an entitlement to one fully paid ordinary share provided that certain performance milestones are met. If the performance milestones are not met, the performance rights will lapse and the eligible participant will have no entitlement to any shares.

Performance rights are not listed and carry no dividend or voting rights. Upon exercise each performance right is convertible into one ordinary share to rank pari passu in all respects with the Company's existing fully paid ordinary shares.

Tranche 1

7,715,979 Performance Rights will need to satisfy the performance milestone based on the relative rating of the Total shareholder Return (TSR) for the Company against the TSR's of a comparator group of junior resources companies to be determined by the Board in conjunction with an independent advisor. 50% will vest on 1 December 2017 and 50% will vest on 1 December 2018 provided that the employee is still an employee of the Company.

Key inputs to the Monte-Carlo simulation valuation models used in the calculation of each grant of long-term incentive performance rights during the half-year ended 31 December 2016 were as follows:

Type of Grant	Expected price volatility ⁽¹⁾	Exercise price	Vest Date	Expiry Date	Share price at grant date	Risk free interest rate ⁽²⁾	Fair value per performance right
Long term incentive right - Grant date: 13 December 2016							
	155%	n/a	01-Dec-17	16-Dec-23	\$0.007	2%	\$0.0054
	155%	n/a	01-Dec-18	16-Dec-23	\$0.007	2%	\$0.0054

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

2 Risk free rate of securities with comparable terms to maturity

Tranche 2

7,715,979 Performance Rights will need to satisfy the performance milestone on achievement of an agreed "material" transaction or event by 30 November 2017.

For 2017 this material event will be a Board commitment to either develop a project from the Company's Pilbara Copper Zinc projects through direct financing or joint venture, alternatively enter into a material transaction in relation to the project or a corporate or commercial transaction or event (with an event to including a substantial increase in the resource or reserves base of the Company), which in the reasonable opinion of the directors substantially or materially increases the value or prospects. The portion of the Performance Rights that satisfy this performance milestone will be either all, on achievement of the "material" event for 2017, or none. 50% will vest on 1 December 2017 and 50% will vest on 1 December 2018 provided that the employee is still an employee of the Company.

Tranche 2 has been valued using the Volume Weighted Average Price as at issue date 13 December 2016 which is \$0.0079 per share. The expense has been recognised on the basis all conditions will be met over the vesting period.

Note 6. Fair Value of Financial Instruments

(a) Recurring fair value measurements

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

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

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

Note 7. Events Subsequent to Reporting Date

On the 16 February 2017, the Company released the results of the Value Engineering Study to the ASX.

On 24th February 2017, 11,250,000 Performance Rights were issued under the Performance Rights Plan to Employees.

On 24th February 2017, 4,883,200 Performance Rights previously issued to employees expired that did not meet the milestone criteria.

No other events or circumstances have arisen since 31 December 2016 that would require disclosure in this financial report.

Notes to the Financial Statements continued

Note 8. Related Party Changes

During the half-year ended 31 December 2016, 11,901,157 Long Term Incentive Rights that were issued to Mr John Nitschke expired as they did not meet their milestone criteria. \$34,495 was reversed to profit and loss during the 6 months ended 31 December 2016.

During the half-year ended 31 December 2016, the Company issued Long Term Incentive Rights to Mr John Nitschke. The value of the Long Term Incentive Rights was \$103,200. \$4,336 was expensed during the 6 months ended 31 December 2016.

The details of the rights issued and expired can be found within Note 5.

There have been no other changes to related party.

Note 9. Contingent Liabilities and Commitments

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

Directors' Declaration

The Directors' of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 13 are in accordance with the Corporations Act 2001, including:
 - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



JOHN NITSCHKE
Managing Director

Dated: 14 March 2017

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Venturex Resources Limited

Report on the Half-Year Financial Report

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

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Venturex Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

Handwritten signature in blue ink, consisting of the letters 'BDO' above a stylized signature that appears to be 'J Prue'.

Jarrad Prue
Director

Perth, 14 March 2017