



VENTUREX RESOURCES LIMITED

ABN 28 122 180 205

Consolidated Interim Financial Report

**For the Half Year Ended
31 December 2017**

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 2017 and any public announcements made by Venturex Resources Limited during the half year to 31 December 2017 in accordance with the continuous disclosure of the Corporations Act 2001.

Corporate Directory

DIRECTORS

Anthony Kiernan Non-Executive Chairman
Anthony Reilly 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

AUDITORS

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

SHARE REGISTRY

Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009, Australia

Tel: (61 8) 9389 8033

Fax: (61 8) 9262 3723

Table of Contents

Directors' Report	1
Auditor's Independence Declaration	4
Consolidated Statement of Profit or Loss and Other Comprehensive Income	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Changes in Equity	7
Consolidated Statement of Cash Flow	8
Notes to the Financial Statements.....	9
Directors' Declaration	13
Independent Auditor's Review Report.....	14

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 2017.

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 Anthony Reilly	Executive Director	Appointed 1 July 2017
	Non-Executive Director	
Mr Darren Stralow	Non-Executive Director	
Mr John Nitschke	Managing Director	Resigned 1 July 2017

Financial Results

The consolidated loss before and after income tax of the Group during the half year ended 31 December 2017 was \$1,028,901 (31 December 2016: \$1,101,895).

Dividend

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

Review of Operations

During the six months ended 31 December 2017, the Company's principal continuing activity was the strategy of aggressively advancing the Sulphur Springs Copper-Zinc Project. During the half-year Venturex Resources Limited continued to explore its tenements which are located in the Pilbara, Western Australia.

Sulphur Springs Copper-Zinc Project

During the six months ended 31 December 2017, Venturex continued with strong progress with its strategy of aggressively advancing the Sulphur Springs Copper-Zinc Project towards a development decision.

Critical tasks completed included:

- Completion of a highly successful Resource infill drill programme;
- Positive results from Heliborne Electromagnetic (EM) survey were received resulting in 11 identified geophysical targets for follow up;
- Notification received from the Western Australia Environmental Protection Authority (EPA) confirming permitting pathway for the Sulphur Springs Project at "Environmental Review – No public review";
- Development of the environmental review document, required by the Environmental Protection Authority (EPA) for the Sulphur Springs project environmental approvals process, progressed with a number of site based environmental surveys being completed;
- Geotechnical drilling program over the proposed Sulphur Springs Tailings Storage Facility (TSF) footprint to support the facilities detailed design was completed.

Key outcomes of the Resource infill drill programme:

- Confirmation of the presence and continuity of the previously identified copper mineralisation;
- Identification of a previously unrecognised zinc rich lens (in this part of the orebody) that overlies copper mineralisation;
- Increased confidence and ability to classify ore type domains (i.e. Supergene, Transitional and Primary ore types). This will be reflected in the pending Resource update. It is anticipated that the pending Resource update will see material being reallocated between the previously identified ore types;

Directors' Report

Review of Operations continued

- Potential for mineralisation to extend further to the west beyond the currently interpreted boundary of the orebody;
- Provided a sample for pending metallurgical test work.

Whim Creek Copper-Zinc Project

During the six months ended 31 December 2017, Venturex continued reviewing and assessing of the Conglomerate hosted gold potential on the Company's Whim Creek project.

The Company was successful in its application for co-funded drilling assistance that is available under the Western Australian Governments – Royalty for Regions Exploration Incentive Scheme, to test the Mons Cupri South West area.

Whim Creek Access Agreement with BlackRock Metals

During the six months ended 31 December 2017, production of copper cathode was 436 tonnes (2016 half-year: 464 tonnes).

During the half year Blackrock continued turning and restacking the existing heap leach dumps using an excavator. Approximately 50% of the dump has been turned over and is progressively being put back under irrigation. Turning and restacking of the residual ore will continue in 2018 and be ongoing as a means of sustaining production from the heap leach dumps.

Blackrock completed transporting 50,000 tonnes of stockpile copper oxide from the Whundo Copper Mine for processing through the Whim Creek Heap Leach and as at SX-EW.

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

Corporate

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

- Expiry of 8,431,958 performance rights on 03 July 2017
- Conversion of 14,465,040 performance rights into ordinary shares on 7 July 2017
- Expiry of 41,666,671 unlisted options on 03 August 2017
- Issue of 750,269,425 ordinary shares on 08 August 2017
- Expiry of 174,518,142 unlisted options on 31 August 2017
- Issue of 222,222,222 ordinary shares on 17 November 2017

The Company's current capital on issue stands at:

- 3,598,434,633 ordinary shares
- 19,866,800 unlisted performance rights
- 216,293,663 unlisted options

Events Subsequent to Reporting Date

No other events or circumstances have arisen since 31 December 2017 that would require disclosure in this financial report.

Directors' 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.



ANTHONY REILLY
Executive Director

Dated: 14 March 2018

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 2017, 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 2018

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year Ended 31 December 2017

	Notes	31 December 2017 \$	31 December 2016 \$
Revenue			
Revenue	3	109,552	28,850
Other Income	3	5,888	-
Expenses			
Administrative expenses		(286,755)	(334,516)
Corporate expenses		(42,423)	(71,736)
Directors, employees, and consultants fees		(616,207)	(538,349)
Exploration and evaluation expenses		(68,575)	(47,497)
Finance costs		(130,381)	(138,647)
Loss before income tax		(1,028,901)	(1,101,895)
Loss after income tax attributable to the owners of the Company		(1,028,901)	(1,101,895)
Total comprehensive loss for the period attributable to owners of the Company		(1,028,901)	(1,101,895)
 Loss per share for the half year attributable to the owners of the Company			
Basic and Diluted loss per share (cents)		(0.03)	(0.05)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 31 December 2017

	Notes	31 December 2017 \$	30 June 2017 \$
Assets			
Current assets			
Cash and cash equivalents		5,004,672	960,630
Trade and other receivables		371,125	134,630
Other assets		89,379	73,442
Total current assets		5,465,176	1,168,702
Non-current assets			
Property, plant and equipment		1,182,868	1,247,413
Exploration and evaluation expenditure	4	28,415,922	26,045,258
Total non-current assets		29,598,790	27,292,671
Total assets		35,063,966	28,461,373
Liabilities			
Current liabilities			
Trade and other payables		747,995	694,185
Employee benefits		12,629	17,945
Total current liabilities		760,624	712,130
Non-current liabilities			
Provisions		12,432,074	12,303,037
Employee benefits		14,535	13,661
Total non-current liabilities		12,446,609	12,316,698
Total liabilities		13,207,233	13,028,828
Net assets		21,856,733	15,432,545
Equity			
Issued capital	5	100,388,232	92,884,245
Reserves		71,211	122,109
Accumulated Losses		(78,602,710)	(77,573,809)
Total equity		21,856,733	15,432,545

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the Half Year Ended 31 December 2017

	Issued Capital \$	Share Based Compensation Reserve \$	Accumulated Losses \$	Total Equity \$
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 loss 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
Security issue costs	(189,936)	-	-	(189,936)
Options exercised net of costs	1,633	-	-	1,633
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
Balance at 30 June 2017	92,884,245	122,109	(77,573,809)	15,432,545
Loss for the period	-	-	(1,028,901)	(1,028,901)
Total comprehensive loss for the period	-	-	(1,028,901)	(1,028,901)
Transactions with owners in their capacity as owners:				
Issue of securities	7,751,348	-	-	7,751,348
Security issue costs	(372,083)	-	-	(372,083)
Conversion of performance rights	124,722	(124,722)	-	-
Share based payments issued	-	73,824	-	73,824
	7,503,987	(50,898)	-	7,453,089
Balance at 31 Dec 2017	100,388,232	71,211	(78,602,710)	21,856,733

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flow for the Half Year Ended 31 December 2017

	31 December 2017 \$	31 December 2016 \$
Cash flows related to operating activities		
Payments to suppliers and employees	(1,000,904)	(965,732)
Interest received	19,063	26,065
Interest paid	(1,344)	(1,349)
Net cash used in operating cash flows	(983,185)	(941,016)
Cash flows related to investing activities		
Payments for purchases of property, plant and equipment	-	(17,225)
Payments for sale of property, plant and equipment	636	-
Payment for exploration and evaluation expenditure	(2,302,348)	(2,008,176)
Increase in bank guarantee	(18,800)	(5,000)
Net cash used in investing cash flows	(2,320,512)	(2,030,401)
Cash flows related to financing activities		
Proceeds from issue of securities	7,751,348	5,191,047
Proceeds from issue of options into shares	-	1,633
Capital raising costs	(372,083)	(189,936)
Repayment of insurance premium funding	(31,526)	(26,731)
Net cash provided in financing cash flows	7,347,739	4,976,013
Net increase in cash and cash equivalents	4,044,042	2,004,596
Cash and cash equivalents at the beginning of the half year	960,630	728,231
Cash and cash equivalents at the end of the half year	5,004,672	2,732,827

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

Note 1. Basis of Preparation

Reporting Entity

The consolidated interim financial statements comprise Venturex Resources Limited (the "Company") and its subsidiaries, Venturex Pilbara Pty Ltd, Venturex Sulphur Springs Pty Ltd, Jutt Resources Pty Ltd, Juranium Pty Ltd, and CMG Gold Ltd, (collectively the "Group Entity" or the "Group"). Venturex Resources Limited is a listed public company domiciled in Australia.

Statement of Compliance

The consolidated financial statements for the interim half year reporting period ended 31 December 2017 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)*.

This consolidated 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. 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 2017, 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 consolidated financial report are consistent with those adopted and disclosed in the Company's 2017 annual financial report for the financial year ended 30 June 2017. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Significant Accounting Estimates and Assumptions

The significant accounting estimates and assumptions adopted in the preparation of the half year consolidated financial report are consistent with those adopted and disclosed in the Company's 2017 annual financial report for the financial year ended 30 June 2017.

Notes to the Financial Statements continued

Note 2. Segment Reporting

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

Management assesses the performance of the operating segment 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.

	31 Dec 2017	31 Dec 2016
	\$	\$
Half-year ended 31 December 2017		
Segment revenue and other income	-	-
Segment loss		
Total segment loss	(433,699)	(581,487)
Inter-segment loss	-	-
Net segment loss	<u>(433,699)</u>	<u>(581,487)</u>
Total segment assets	35,063,966	29,184,040
Total segment liabilities	(13,207,233)	(12,399,910)

Reconciliation of segment result to Group net loss before tax is provided as follows:

	31 Dec 2017	31 Dec 2016
	\$	\$
Net segment loss	(433,699)	(581,487)
Corporate items:		
Interest revenue	22,552	28,850
Administrative expense	(1,547)	(10,909)
Employee and Directors; benefits expense	(616,207)	(538,349)
Net loss before tax from continuing operations	<u>(1,028,901)</u>	<u>(1,101,895)</u>

Note 3. Revenue

	31 Dec 2017	31 Dec 2016
	\$	\$
Revenue		
Interest revenue on bank deposits	21,679	28,850
SX-EW Profit Share	87,873	-
	<u>109,552</u>	<u>28,850</u>
Other Income		
Other income	5,888	-
	<u>5,888</u>	<u>-</u>

Note 4. Exploration and Evaluation Expenditure

	31 Dec 2017	31 Dec 2016
	\$	\$
<i>Exploration and Evaluation Expenditure carrying value</i>	<u>28,415,922</u>	<u>24,939,564</u>
<i>Movements in Carrying Amounts of Exploration and Evaluation Expenditure</i>		
Balance at the beginning of period	26,045,258	23,055,563
Additions during the period	2,370,664	1,884,001
Written off / Impairment during the period	-	-
Closing carrying value at the end of period	<u>28,415,922</u>	<u>24,939,564</u>

Notes to the Financial Statements continued

Note 5. Issued Capital

	31 December 2017		30 June 2017	
	No.	\$	No.	\$
Fully Paid Ordinary Shares	3,598,434,633	100,388,232	2,611,477,946	92,884,245
Total		<u>100,388,232</u>		<u>92,884,245</u>

During the half year ended 31 December 2017, the following movements in equity occurred:

Shares		Issue Price \$	No.	\$
	Balance as at 1 July 2017		2,611,477,946	92,884,245
07/07/2017	Conversion of performance rights into shares	-	14,465,040	124,722
08/08/2017	Issue of shares under entitlement issue	0.005	750,269,425	3,751,348
17/11/2017	Issue of shares under institutional placement	0.018	222,222,222	4,000,000
	Transaction costs relating to shares issued			(372,083)
			<u>3,598,434,633</u>	<u>100,388,232</u>

The weighted average number of ordinary shares outstanding during the year used in calculating the basic and diluted loss per share is 3,269,777,709.

Options (unlisted)

Date	Class	Details	Expiry Date	Exercise Price \$	Number
		Balance as at 1 July 2017			432,478,476
03/08/2017	A	Expiry of options to cornerstone investors	03/08/2017	0.015	(41,666,671)
31/08/2017	A	Expiry of options under entitlement issue	31/08/2017	0.015	<u>(174,518,142)</u>
					<u>216,293,663</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 2017				<u>42,763,798</u>			<u>122,109</u>

Issue of performance rights

Performance rights expensed over vesting

31/12/2017	1	2015 LTI	0.0054	-	52,289	-	5,584
31/12/2017	1	2016 LTI	0.0024	-	16,800	746	4,430
31/12/2017	1	2016 MD LTI	0.0054	-	41,666	-	24,148
31/12/2017	2	2016 MD LTI	0.0079	-	61,534	-	4,895
31/12/2017	1	2017 GM	0.0079	-	44,438	25,567	11,201
31/12/2017	2	2017 GM	0.0010	-	56,250	32,363	14,178
31/12/2017	1	2017 LTI	0.0050	-	32,602	20,204	9,388

Performance rights expired

3/7/2017	1	2016 MD	-	(4,215,979)	-	-	-
3/7/2017	2	2016 MD	-	(4,215,979)	-	-	-

Performance rights converted to shares

3/7/2017		2015 LTI	-	(7,465,040)	-	-	(52,289)
3/7/2017		2016 MD	-	(7,000,000)	-	-	(72,433)
				<u>19,866,800</u>		<u>78,880</u>	<u>71,211</u>

Notes to the Financial Statements continued

Note 5. Issued Capital continued

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

Tranche 1 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 resources companies to be determined by the Board in conjunction with an independent advisor.

Tranche 2

Tranche 2 Performance Rights will need to satisfy the performance milestone on achievement of an agreed "material" transaction on a specific date. They have been valued using the Volume Weighted Average Price as at issue date. The expense has been recognised on the basis that 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

No other events or circumstances have arisen since 31 December 2017 that would require disclosure in this financial report.

Note 8. Related Party Changes

During the half-year ended 31 December 2017, 8,431,958 Long Term Incentive Rights that were issued to Mr John Nitschke, expired as Mr Nitschke stepped down from the position of Managing Director.

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

There have been no other changes to related party transactions.

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 12 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) giving a true and fair view of the Group's financial position as at 31 December 2017 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.



ANTHONY REILLY
Executive Director

Dated: 14 March 2018

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Venturex Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Venturex Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, 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 then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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 the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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 Group's financial position as at 31 December 2017 and its financial 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 the Group, 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 the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink. The first line reads 'BDO' and the second line is a cursive signature that appears to be 'J Prue'.

Jarrad Prue

Director

Perth, 14 March 2018