VENTURE X RESOURCES LIMITED

VENTUREX RESOURCES LIMITED

ABN 28 122 180 205

Consolidated Interim Financial Report

For the Half Year Ended 31 December 2018

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 2018 and any public announcements made by Venturex Resources Limited during the half year to 31 December 2018 in accordance with the continuous disclosure of the Corporations Act 2001.

Corporate Directory

DIRECTORS

Anthony Kiernan	Non-Executive Chairman
Ajanth Saverimutto	Managing Director
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

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 2018.

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.

Anthony Kiernan	Non-Executive Chairman
Ajanth Saverimutto	Managing Director
Anthony Reilly	Executive Director
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 2018 was $949,511 (31 December 2017: $1,028,901).

Dividend

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

Review of Operations

During the six months ended 31 December 2018, the Company's principal continuing activity was the further advancement and development of the Sulphur Springs Copper-Zinc Project, following the release of the Definitive Feasibility Study in October 2018. 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 2018, Venturex continued advancing the Sulphur Springs Copper-Zinc Project.

Critical tasks completed included:

- Completion of a Definitive Feasibility Study ('DFS');
- Ore Reserve upgraded to 8.5Mt @ 1.4% Cu and 3.1% Zn;
- Successful completion of an exploration-geotechnical diamond drilling program;
- Purchase and settlement of Spinifex Ridge camp, resulting in significant CAPEX saving;
- Expressions of interest received from several domestic and international banks for senior project debt finance facilities;
- Discussions underway with potential off-take counter-parties and off-take funding proposals under review; and
- Early Contractor Engagement and recruitment program commences.

Directors' Report

Corporate

During the period, the following changes occurred to the Company's capital structure (All numbers are disclosed as post consolidation):

- 15-for-1 share consolidation completed on 17 August 2018
- Expiry of 2,777,778 unlisted options on 03 August 2018
- Expiry of 11,641,969 unlisted options on 31 August 2018
- Issue of 4,475,051 ordinary shares on 18 December 2018
- Issue of 8,333,332 ordinary shares on 18 December 2018
- Issue of 5,555,556 ordinary shares on 18 December 2018
- Issue of 1,333,339 performance rights on 10 August 2018

The Company's current capital on issue stands as at the date of this report is:

- 258,626,283 ordinary shares
- 6,446,992 unlisted performance rights

Events Subsequent to Reporting Date

On 26 February 2019, 41,667 Performance Rights (2017 LTI) and 66,668 Performance Rights (2018 LTI) expired.

On 26 February 2019, 90,720 Performance Rights (2016 LTI) and 275,002 Performance Rights (2017 LTI) were converted into fully paid ordinary shares.

On 26 February 2019, 40,000 Unlisted Performance Rights were issued to various employees.

No other events or circumstances have arisen since 31 December 2018 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 3.

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

AJANTH SAVERIMUTTO
Managing Director

Dated: 13 March 2019

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 GLYN O'BRIEN TO THE DIRECTORS OF VENTUREX RESOURCES LIMITED

As lead auditor for the review of Venturex Resources Limited for the half-year ended 31 December 2018, 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.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 13 March 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year Ended 31 December 2018

	Notes	31 December 2018 $	31 December 2017 $
Revenue			
Revenue	3	5,903	109,552
Other Income	3	850,000	5,888
Expenses			
Administrative expenses		(342,933)	(213,973)
Corporate expenses		(118,348)	(42,423)
Directors, employees, and consultants fees		(999,223)	(616,207)
Exploration and evaluation expenses		(40,383)	(68,575)
Depreciation expenses		(139,992)	(72,782)
Finance costs		(164,535)	(130,381)
Loss before income tax		**(949,511)**	**(1,028,901)**
Loss after income tax attributable to the owners of the Company		**(949,511)**	**(1,028,901)**
Total comprehensive loss for the period attributable to owners of the Company		**(949,511)**	**(1,028,901)**
Loss per share for the half year attributable to the owners of the Company			
Basic and Diluted loss per share (cents)		(0.39)	(0.47)

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 2018

	Notes	31 December 2018 $	30 June 2018 $
Assets			
Current assets			
Cash and cash equivalents		2,512,687	2,622,074
Trade and other receivables		277,948	344,259
Other assets		112,193	125,993
Total current assets		**2,902,828**	**3,092,326**
Non-current assets			
Property, plant and equipment	4	2,020,313	1,097,301
Exploration and evaluation expenditure	5	32,592,305	30,490,334
Total non-current assets		**34,612,618**	**31,587,635**
Total assets		**37,515,446**	**34,679,961**
Liabilities			
Current liabilities			
Trade and other payables		498,072	1,383,719
Borrowings	6	1,045,808	-
Employee benefits		22,800	7,622
Total current liabilities		**1,566,680**	**1,391,341**
Non-current liabilities			
Provisions		12,889,798	12,772,936
Employee benefits		16,830	15,466
Total non-current liabilities		**12,906,628**	**12,788,402**
Total liabilities		**14,473,308**	**14,179,743**
Net assets		**23,042,138**	**20,500,218**
Equity			
Issued capital	7	103,562,294	100,388,232
Reserves		469,419	152,050
Accumulated Losses		(80,989,575)	(80,040,064)
Total equity		**23,042,138**	**20,500,218**

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 2018

	Issued Capital $	Share Based Compensation Reserve $	Accumulated Losses $	Total Equity $
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**
Balance at 30 June 2018	100,388,232	152,050	(80,040,064)	20,500,218
Loss for the period	-	-	(949,511)	(949,511)
Total comprehensive loss for the period	-	-	(949,511)	(949,511)
Transactions with owners in their capacity as owners:				
Issue of securities (note 7)	3,305,485	-	-	3,305,485
Security issue costs (note 7)	(131,423)	-	-	(131,423)
Share based payments issued (note 7)	-	317,369	-	317,369
	3,174,062	317,369	-	3,491,431
Balance at 31 Dec 2018	**103,562,294**	**469,419**	**(80,989,575)**	**23,042,138**

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 2018

	31 December 2018 $	31 December 2017 $
Cash flows related to operating activities		
Payments to suppliers and employees	(1,066,298)	(1,000,904)
Receipts from lease of camp	850,000	-
Interest received	5,942	19,063
Interest paid	(1,865)	(1,344)
Net cash used in operating cash flows	**(212,221)**	**(983,185)**
Cash flows related to investing activities		
Payments for purchases of property, plant and equipment	(1,053,896)	-
Proceeds for sale of property, plant and equipment	-	636
Payment for exploration and evaluation expenditure	(2,974,386)	(2,302,348)
Increase in bank guarantee	-	(18,800)
Net cash used in investing cash flows	**(4,028,282)**	**(2,320,512)**
Cash flows related to financing activities		
Proceeds from issue of securities	2,305,485	7,751,348
Capital raising costs	(131,423)	(372,083)
Proceeds from borrowings	2,000,000	-
Repayment of insurance premium funding	(42,946)	(31,526)
Net cash provided in financing cash flows	**4,131,116**	**7,347,739**
Net increase (decrease) in cash and cash equivalents	(109,387)	**4,044,042**
Cash and cash equivalents at the beginning of the half year	2,622,074	960,630
Cash and cash equivalents at the end of the half year	**2,512,687**	**5,004,672**

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

Notes to the Financial Statements continued

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 2018 are general purpose financial statement, 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 2018, 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 2018 annual financial report for the financial year ended 30 June 2018, except as outlined below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Revenue

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

Convertible notes

Convertible notes were issued by the Group (see note 6), which includes an option to convert the note to a variable number of shares in the Group. These convertible notes are recognised as financial liabilities at fair value through profit or loss. On initial recognition, the fair value of the convertible note will equate to the proceeds received and subsequently the liability is remeasured at fair value each reporting period. The fair value movements are recognised on the profit or loss as finance costs.

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 2018 annual financial report for the financial year ended 30 June 2018, other than those mentioned below.

Use of Estimates and Judgements

Share based payments

The Group initially 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. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them, as well as an assessment of the probability of achieving non-market based vesting conditions.

The probability of achieving non-market based vesting conditions of performance options is assessed at each reporting period.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7

Notes to the Financial Statements continued

Note 1. Basis of Preparation (continued)

New and amended standards adopted by the Group

In the half-year ended 31 December 2018, the Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2018.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 9 Financial Instruments and related amending Standards;
- AASB 15 Revenue from Contracts with Customers and related amending Standards; and
- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions.

AASB 9 Financial Instruments and related amending Standards

In the current year, the Group has applied AASB 9 *Financial Instruments* and the related consequential amendments to other Accounting Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of AASB 9 allow an entity not to restate comparatives however there was no material impact on adoption of the standard.

Additionally, the Group adopted consequential amendments to AASB 7 *Financial Instruments: Disclosures*.

In summary AASB 9 introduced new requirements for:

- The classification and measurement of financial assets and financial liabilities;
- Impairment of financial assets; and
- General hedge accounting.

AASB 15 Revenue from Contracts with Customers and related amending Standards

In the current year, the Group has applied AASB 15 *Revenue from Contracts with Customers* which is effective for an annual period that begins on or after 1 January 2018. AASB 15 introduced a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in AASB 15 to deal with specific scenarios. There was no material impact on adoption of the standard and no adjustment made to current or prior period amounts.

Impact of standards issued but not yet applied by the Group

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2018. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

Going Concern

For the half-year ended 31 December 2018 the entity recorded a loss of $949,511 and had net cash outflows from operating and investing activities of $4,256,257.

The Company completed and announced the results of the 2018 DFS of the Sulphur Springs Copper Zinc Project, this indicates that the project is technically and economically feasible. Following completion of the 2018 DFS, the Company have been working to secure a project financing package prior to approving a decision to mine.

The ability of the entity to continue as a going concern is dependent on finalisation of debt and the successful commercialisation of the Sulphur Springs Copper Zinc project, as well as securing additional funding as required.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the entity's working capital requirements as at the date of this report. Subsequent to year end the entity expects to receive additional funds via the lease/ rental of the Spinifex Ridge Camp and if required additional funds via the capital markets.

Notes to the Financial Statements continued

Note 1. Basis of Preparation (continued)

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Directors are of the opinion that the Group's exploration and development assets will attract further capital investment when required. The Directors will continue to maximise the value of existing assets through careful planning of drilling campaigns, calculation of mineral resources as sufficient data becomes available. In regards to the Sulphur Springs Copper – Zinc Project, the Directors will continue with ongoing discussions with interested groups on opportunities to advance the Project's development as part of the Company's drive to commercialise the Sulphur Springs Copper – Zinc Project.

- The Group will also consider divestments if the proceeds are likely to exceed the realisable value of such assets if they were retained.

- If the Group is unable to raise additional capital, the Company will investigate funding options including joint venturing the project, defer or reduce certain feasibility and exploration expenditure, divesting other non-core assets or reviewing the Company's current activities such that the Group will remain a going concern.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern."

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 segment.

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, interest paid, finance costs and corporate expenses as these activities are centralised.

	31 Dec 2018 $	31 Dec 2017 $
Segment revenue and other income	-	-
Segment loss		
Total segment profit (loss)	49,155	(433,699)
Inter-segment loss	-	-
Net segment profit (loss)	49,155	(433,699)

	31 Dec 2018 $	30 Jun 2018 $
Total segment assets	37,515,446	34,679,961
Total segment liabilities	(12,906,628)	(14,179,743)

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

	31 Dec 2018 $	31 Dec 2017 $
Net segment loss	49,155	(433,699)
Corporate items:		
Interest revenue	5,903	22,552
Administrative expense	(5,346)	(1,547)
Employee and Directors; benefits expense	(999,223)	(616,207)
Net loss before tax from continuing operations	(949,511)	(1,028,901)

Note 3. Revenue

	31 Dec 2018 $	31 Dec 2017 $
Revenue		
Interest revenue on bank deposits	5,903	21,679
SX-EW Profit Share	-	87,873
	5,903	109,552
Other Income		
Rental income – camp	850,000	5,888
	850,000	5,888

Note 4. Property, Plant and Equipment

	31 Dec 2018 $	30 Jun 2018 $
Property, Plant and Equipment:		
At cost	3,996,129	2,972,064
Accumulated depreciation	(1,975,816)	(1,874,763)
Total Property, Plant and Equipment	2,020,313	1,097,301

Notes to the Financial Statements continued

Note 4. Property, Plant and Equipment (continued)

Movements in Carrying Amounts for each class of property, plant and equipment.

	31 Dec 2018 $	30 Jun 2018 $
Total Property, Plant and Equipment		
Balance at the beginning of period	1,097,301	1,247,413
Additions	1,068,350	21,091
Disposals	(5,345)	(2,183)
Depreciation expense	(139,993)	(169,020)
Balance at the end of period	2,020,313	1,097,301
Property		
Balance at the beginning of period	20,000	20,000
Balance at the end of period	20,000	20,000
Buildings		
Balance at the beginning of period	-	-
Additions	823,226	-
Disposals	-	-
Depreciation expense	(51,367)	-
Balance at the end of period	771,859	-
Plant and Equipment		
Balance at the beginning of period	1,077,301	1,227,413
Additions	245,124	21,091
Disposals	(5,345)	(2,183)
Depreciation expense	(88,626)	(169,020)
Balance at the end of period	1,228,454	1,077,301

During the period Venturex purchased the Spinifex Ridge camp for $1,000,000.

Note 5. Exploration and Evaluation Expenditure

	31 Dec 2018 $	30 Jun 2018 $
Exploration and Evaluation Expenditure carrying value	32,592,305	30,490,334
Movements in Carrying Amounts of Exploration and Evaluation Expenditure		
Balance at the beginning of period	30,490,334	26,045,258
Additions during the period	2,101,971	4,445,076
Written off / Impairment during the period	-	-
Closing carrying value at the end of period	32,592,305	30,490,334

Note 6. Borrowings

		31 Dec 2018 $	30 Jun 2018 $
Borrowings		1,045,808	-
Movements in Borrowings			
Balance at the beginning of period		-	-
Loan		2,000,000	-
Interest		45,808	
Conversion of debt into equity	7	(1,000,000)	-
Closing carrying value at the end of period		1,045,808	-

Venturex entered into a binding Loan Agreement for $2,000,000 with major shareholder, Northern Star Resources Limited ("Northern Star"). The loan is unsecured, with a twelve month term and accrues interest at the rate of 8% per annum.

Notes to the Financial Statements continued

Note 6. Borrowings (continued)

The loan is repayable in cash or at Northern Star's election by conversion to Venturex shares:

- at the same issue price as any rights issue or placement conducted by Venturex before the loan has been repaid, or in the absence of a capital raising,
- at an issue price equal to the 10-day volume weighted average price (VWAP) of Venturex shares prior to the date on which notice of repayment is given.

During the period $1,000,000 was repaid by issuing 5,555,556 ordinary shares.

Note 7. Issued Capital

	31 Dec 2018		30 Jun 2018	
	No.	$	No.	$
Fully Paid Ordinary Shares	258,260,561	103,562,294	239,896,622	100,388,232
Total		103,562,294		100,388,232

During the half year ended 31 December 2018, the following movements in equity occurred:

Date	*Details*	*Issue Price*		
		$	No.	$
	Balance as at 1 July 2018 (pre consolidated)		3,598,434,633	100,388,232
17/08/2018	Consolidation of capital on a 15 to 1 basis		239,896,622	100,388,232
18/12/2018	Issue of shares under share purchase plan	0.18	4,475,051	805,500
18/12/2018	Issue of shares under institutional placement	0.18	8,333,332	1,499,985
18/12/2018	Conversion of debt into equity	0.18	5,555,556	1,000,000
	Transaction costs relating to shares issued			(131,423)
			258,260,561	103,562,294

The weighted average number of ordinary shares outstanding during the prior year used in calculating the basic and diluted loss per share is 3,432,755,526 pre consolidation and 217,985,181 post consolidation.

The weighted average number of ordinary shares outstanding during the year used in calculating the basic and diluted loss per share is 241,194,074.

<u>Options (unlisted)</u>

	31 Dec 2018		30 Jun 2018	
	No.	$	No.	$
Options (unlisted)	-	-	216,293,663	-
Total		-		-

During the half year ended 31 December 2018, the following movements in options occurred:

Date	*Class*	*Details*	*Expiry Date*	*Exercise Price*	*Number*
				$	
		Balance as at 1 July 2018 (pre consolidated)			216,293,663
17/08/2018		Consolidation of capital on a 15 to 1 basis			14,419,747
03/08/2018	B	Expiry of options	03/08/2018	0.015	(2,777,778)
31/08/2018	B	Expiry of options	31/08/2018	0.015	(11,641,969)
					-

Notes to the Financial Statements continued

Note 7. Issued Capital (continued)

Performance Rights (unlisted)

	31 Dec 2018 No.	31 Dec 2018 $	30 Jun 2018 No.	30 Jun 2018 $
Performance Rights	6,881,049	469,419	6,214,382	152,050
Total		469,419		152,050

During the half year ended 31 December 2018, the following movements in performance rights occurred:

Date	*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 2018 (pre consolidated)			83,215,600			
Consolidation of capital on a 15 to 1 basis			5,547,710			
Issue of performance rights						
10/08/2018	2018 LTI (a)	0.1950	1,333,339	260,001	175,006	84,995
Performance rights expensed over vesting						
31/12/2018	2017 LTI	0.0050	-	32,602	1,520	9,027
31/12/2018	2017 LTI ED (b)	0.1800	-	120,000	89,025	20,741
31/12/2018	2017 LTI MD (c)	0.1800	-	180,000	1,978	121,791
31/12/2018	2017 LTI MD (c)	0.1327	-	221,167	152,052	42,902
31/12/2018	2017 LTI MD (c)	0.1169	-	194,833	133,948	37,913
			6,881,049		553,529	317,369

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.

(a) 2018 LTI - A total of 1,333,339 unlisted performance rights were granted to Key Management Personnel, Employees and Contractors on 10 August 2018, 50% vesting on 9 August 2020, 50% vesting on 9 February 2021, subject to being in the service of the company on the vesting date. 333,334 of these were issued to Trevor Hart who is part of the Key Management Personnel. These Performance Rights have the following performance milestones, Environmental Permitting, Exploration Success, Positive BFS, and Financing, to be tested 12 months after the date of issue. The probability of achieving the non-market conditions is currently 100%.

Inputs to the Performance Rights model

Number	Details	Grant Date	Vesting Date	Expiry Date	Exercise Price $	Fair Value $	SBP expense 31/12/2018	SBP reserve 31/12/2018
666,670	2018 LTI	10/08/2018	09/08/2019	09/08/2025	-	0.195	51,072	51,072
666,669	2018 LTI	10/08/2018	09/02/2020	09/08/2025	-	0.195	33,923	33,923
1,333,339							84,995	84,995

Other inputs to the model used for the performance rights issued during the period

The fair value of performance rights issued with a material transaction condition, are calculated using the share price on the date of issue.

(b) 2017 LTI ED - A total of 666,667 unlisted performance rights were granted to Directors on 17 August 2018. These performance rights will vest on the Company entering a "Material Transaction". A Material Transaction is defined as VXR entering into an unconditional agreement with a third party to dispose of 50% interest in the Sulphur Springs Project or a takeover bid for not less than 50.1% or another entity to control the composition of the Board or upon VXR raising sufficient money to develop the Sulphur Spring Project. These performance rights were revalued at grant date.

Notes to the Financial Statements continued

Note 7. Issued Capital (continued)

Inputs to the Performance Rights model

Number	Details	Grant Date	Vesting Date	Expiry Date	Exercise Price $	Fair Value $	SBP expense 31/12/2018	SBP reserve 31/12/2018
666,667	2017 LTI ED	17/08/2018	01/07/2020	16/08/2020	-	0.180	20,741	30,975
666,667							20,741	30,975

Other inputs to the model used for the performance rights issued during the period

The fair value of performance rights issued with a material transaction condition, are calculated using the share price on the date of issue.

(c) 2017 LTI MD - A total of 4,333,333 unlisted performance rights were granted to Directors on 17 August 2018. 1,000,000 will vest upon the completion of a drilling program by 3 January 2019, 1,666,667 vest on the completion of a BFS or the date that the price of a share is 45 cents, with Share price to be calculated based on the VWAP of Shares which have traded over a period of 45 consecutive trading days, and 1,666,666 vest when the Company raises sufficient funds to develop the Sulphur Springs Project or the date that the price of a Share is 56.25 cents, with Share price to be calculated based on the VWAP of Shares which have traded over a period of 45 consecutive trading days. These performance rights were revalued at grant date. During the half year 2,666,667 unlisted performance rights vested, 1,000,000 vested upon the completion of a drilling program and 1,666,667 vested on the completion of a BFS.

Inputs to the Performance Rights model

Number	Details	Grant Date	Vesting Date	Expiry Date	Exercise Price $	Fair Value $	SBP expense 31/12/2018	SBP reserve 31/12/2018
1,000,000	2017 LTI MD	17/08/2018	03/01/2019	16/08/2020	-	0.180	121,791	178,022
1,666,667	2017 LTI MD	17/08/2018	16/08/2020	16/08/2020	-	0.133	42,902	69,115
1,666,666	2017 LTI MD	17/08/2018	16/08/2020	16/08/2020	-	0.117	37,913	60,885
4,333,333							202,606	308,022

Other inputs to the model used for the performance rights issued during the period

The fair value of performance rights issued with a material transaction condition, are calculated using the share price on the date of issue.

The fair value of performance rights granted with market conditions are calculated at the grant date using the Monte Carlo simulation model, taking into account the impact of the market condition.

The model inputs used for performance rights with relative market conditions granted during the period included:

Fair Value	$0.1327 - $0.1169
Share Price	$0.1950
Exercise Price	Nil
Expected Volatility(weighted-average)	100%
Expected Life (weighed-average)	2 years
Expected dividends	Nil
Risk free interest rate (based on government bonds)	1.976%

Note 8. 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, current trade and other payables and borrowings is assumed to equal their fair value.

Notes to the Financial Statements continued

Note 9. Events Subsequent to Reporting Date

On 26 February 2019, 41,667 Performance Rights (2017 LTI) and 66,668 Performance Rights (2018 LTI) did not meet their milestone and vesting criteria and expired.

On 26 February 2019, 90,720 Performance Rights (2016 LTI) and 275,002 Performance Rights (2017 LTI) were converted into fully paid ordinary shares.

On 26 February 2019, 40,000 Unlisted Performance Rights were issued to various employees.

No other events or circumstances have arisen since 31 December 2018 that would require disclosure in this financial report.

Note 10. Related Party Changes

The details of the performance rights issued and expired can be found within Note 7.

There have been no other changes to related party transactions.

Note 11. Contingent Liabilities and Commitments

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

Note 12. Dividends

The Directors did not pay or declare any dividends during the half year ended 31 December 2018 or 31 December 2017.

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Directors' Declaration

The Directors' of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 16 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 2018 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.

AJANTH SAVERIMUTTO
<u>Managing Director</u>

Dated: 13 March 2019

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 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 2018, 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, 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 2018 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 *Corporations Regulations 2001.*

Emphasis of matter – Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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 2018 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

BDO

Glyn O'Brien

Glyn O'Brien

Director

Perth, 13 March 2019