11 March 2020

Company Announcements Office
Australian Securities Exchange Limited
Electronic Lodgement System

Dear Sir/Madam

Venturex Resources Limited [ASX: VXR] – ASX Announcement

Venturex Resources Limited lodges the following announcement(s):

- Consolidated Interim Financial Report for the Half Year Ended 31 December 2020.

Authorised by:

Trevor Hart
Company Secretary & CFO

About Venturex Resources Limited
Venturex Resources Limited (ASX: VXR) is an exploration and development company with two advanced Copper-Zinc Projects near Port Hedland in the Pilbara region of Western Australia. The two projects are the Sulphur Springs Project which includes the Sulphur Springs Project, Kangaroos Caves Resource plus 27km of prospective tenements on the Panorama trend and the Whim Creek Project which includes the Resources at the Whim Creek, Mons Cupri and Salt Creek mines together with the Evelyn project and 18,100 ha of prospective tenements over the Whim Creek basin.

VENTUREX RESOURCES LIMITED

ABN 28 122 180 205

Consolidated Interim Financial Report

For the Half Year Ended 31 December 2019

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 2019 and any public announcements made by Venturex Resources Limited during the half year to 31 December 2019 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/CFO
Trevor Hart

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ABN
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WEBSITE
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QUOTED SECURITIES
ASX Code: VXR

AUDITORS
BDO Audit (WA) Pty Ltd
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SHARE REGISTRY
Link Market Services Limited
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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 2019.

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	Resigned 29 November 2019
Anthony Reilly	Executive Director	Appointed as Interim CEO 29 November 2019
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 2019 was $2,774,912 (31 December 2018: $949,511).

The consolidated entity has adopted Accounting Standard AASB 16 Leases for the half-year ended 31 December 2019 using the modified retrospective approach and as such the comparatives have not been restated.

Dividend

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

Review of Operations

During the six months ended 31 December 2019, the Group's principal continuing activity was the further advancement and development of the Sulphur Springs Copper-Zinc Project. During the half-year Venturex Resources Limited continued to explore its tenements, which are located in the Pilbara in Western Australia.

Critical tasks completed included:

<u>Sulphur Springs Copper-Zinc Project</u>

- Project implementation and optimisation strategies advancing;
- New high-grade base metal intercepts in wide-spaced drilling confirm outstanding regional VMS exploration potential;

<u>EPA Approval</u>

- Permitting for the Sulphur Springs Copper-Zinc Project progresses;
- Revised Environmental Review Document prepared for submission in January 2020;

<u>Financing</u>

- Northern Star continues its support with $2,000,000 interim funding to finalise EPA approval;
- The Group has received an approved Term Sheet for finance from global commodity trader, Trafigura Pte, for a US $70 million (AUD $100 million) senior debt facility (Prepayment Facility) to underpin the development of the Sulphur Springs Project;
- Progress continues with formal documentation for Trafigura Pre-payment Facility;

<u>Whim Creek Copper-Zinc Project</u>

- The contract with Blackrock ended on the 31st December 2019 with PPM Global taking over management of site activities from 1st January 2020; and
- All metal production ceased at Whim Creek at the end of October 2019.

Directors' Report

Corporate

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

- Issue of 1,247,382 performance rights on 26 July 2019
- Expiry of 66,667 performance rights on 26 July 2019
- Expiry of 1,666,667 performance rights on 2 December 2019
- Conversion of 2,666,667 performance rights into ordinary shares on 18 December 2019

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

- 282,529,315 ordinary shares
- 3,194,373 unlisted performance rights

Events Subsequent to Reporting Date

The Western Australian Environmental Protection Authority (EPA) has concluded its assessment of the Sulphur Springs Project and initiated consultation with decision making authorities and Venturex on implementation conditions. This consultation does not imply a final approval but is a key milestone towards achieving Ministerial environmental approval.

On 7 February 2020, 246,735 Performance Rights were issued to various employees.

On 21 February 2020, 600,003 Performance Rights did not meet their milestone and vesting criteria and expired.

On 27 February 2020, 32,000 Performance Rights did not meet their milestone and vesting criteria and expired.

On 27 February 2020, 563,094 Ordinary Shares were issued following the conversion of Performance Rights.

No other events or circumstances have arisen since 31 December 2019 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 5.

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

Anthony Reilly
Executive Director

Dated: 11 March 2020

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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 2019, 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, 11 March 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year Ended 31 December 2019

	Notes	31 December 2019 $	31 December 2018 $
Revenue			
Revenue	3	15,124	5,903
Other Income	3	-	850,000
Expenses			
Administrative expenses		(290,185)	(342,933)
Corporate expenses		(148,774)	(118,348)
Directors, employees, and consultants fees		(909,435)	(999,223)
Exploration and evaluation expenses		(135,454)	(40,383)
Depreciation expenses		(152,283)	(139,992)
Amortisation of ROU asset		(35,428)	-
Impairment of trade and other receivables		(6,600)	-
Re-estimation of site rehabilitation provisions		(1,113,956)	-
Finance costs		5,548	(164,535)
Interest on lease liability		(3,469)	-
Loss before income tax		**(2,774,912)**	**(949,511)**
Loss after income tax attributable to the owners of the Group		**(2,774,912)**	**(949,511)**
Total comprehensive loss for the period attributable to owners of the Group		**(2,774,912)**	**(949,511)**
Loss per share for the half year attributable to the owners of the Group			
Basic and Diluted loss per share (cents)		(0.99)	(0.39)

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 2019

	Notes	31 December 2019 $	30 June 2019 $
Assets			
Current assets			
Cash and cash equivalents		2,646,462	4,910,026
Trade and other receivables		262,806	310,647
Inventories		29,274	26,145
Other assets		125,096	153,014
Total current assets		**3,063,638**	**5,399,832**
Non-current assets			
Property, plant and equipment	4	1,739,756	1,885,629
Right of Use Asset	5	73,208	-
Exploration and evaluation expenditure	6	35,805,747	33,774,248
Total non-current assets		**37,618,711**	**35,659,877**
Total assets		**40,682,349**	**41,059,709**
Liabilities			
Current liabilities			
Trade and other payables		506,134	1,531,756
Borrowings	8	2,008,306	-
Lease Liabilities	9	72,334	-
Employee benefits		54,106	58,844
Total current liabilities		**2,640,880**	**1,590,600**
Non-current liabilities			
Provisions		14,500,773	13,402,717
Lease Liabilities	9	2,314	-
Employee benefits		17,735	18,150
Total non-current liabilities		**14,520,822**	**13,420,867**
Total liabilities		**17,161,702**	**15,011,467**
Net assets		**23,520,647**	**26,048,242**
Equity			
Issued capital	10	108,433,966	108,041,913
Reserves		455,799	745,017
Accumulated Losses		(85,369,118)	(82,738,688)
Total equity		**23,520,647**	**26,048,242**

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 2019

	Notes	Issued Capital $	Share Based Compensation Reserve $	Accumulated Losses $	Total Equity $
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		3,305,485	-	-	3,305,485
Security issue costs		(131,423)	-	-	(131,423)
Share based payments issued		-	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**
Balance at 30 June 2019		108,041,913	745,017	(82,738,688)	26,048,242
Loss for the period		-	-	(2,774,912)	(2,774,912)
Total comprehensive loss for the period		-	-	(2,774,912)	(2,774,912)
Transactions with owners in their capacity as owners:					
Security issue costs	10	(9,114)	-	-	(9,114)
Share based payments issued	10	-	256,431	-	256,431
Share based payments exercised	10	401,167	(401,167)	-	-
Share based payments expired	10	-	(144,482)	144,482	-
		392,053	(289,218)	144,482	247,317
Balance at 31 Dec 2019		**108,433,966**	**455,799**	**(85,369,118)**	**23,520,647**

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 2019

	31 December 2019 $	31 December 2018 $
Cash flows related to operating activities		
Payments to suppliers and employees	(1,352,515)	(1,066,298)
Receipts from lease of camp	-	850,000
Interest received	16,350	5,942
Interest paid	(2,046)	(1,865)
Interest on lease liabilities	(3,469)	-
Net cash used in operating cash flows	**(1,341,680)**	**(212,221)**
Cash flows related to investing activities		
Payments for purchases of property, plant and equipment	(14,472)	(1,053,896)
Proceeds for sale of property, plant and equipment	1,136	-
Payment for exploration and evaluation expenditure	(2,818,591)	(2,974,386)
Net cash used in investing cash flows	**(2,831,927)**	**(4,028,282)**
Cash flows related to financing activities		
Proceeds from issue of securities	-	2,305,485
Capital raising costs	(9,114)	(131,423)
Proceeds from borrowings	2,000,000	2,000,000
Repayment of borrowings	(46,827)	(42,946)
Repayment of lease liabilities	(34,016)	-
Net cash provided by financing cash flows	**1,910,043**	**4,131,116**
Net increase (decrease) in cash and cash equivalents	(2,263,564)	(109,387)
Cash and cash equivalents at the beginning of the half year	4,910,026	2,622,074
Cash and cash equivalents at the end of the half year	**2,646,462**	**2,512,687**

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

(a) Reporting Entity

The consolidated interim financial statements comprise Venturex Resources Limited (the "Group") 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 Group domiciled in Australia.

(b) Basis of Accounting

The consolidated financial statements for the interim half year reporting period ended 31 December 2019 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 2019, together with any public announcements made during the half year.

This is the first set of the Group's interim financial statements in which AASB 16 Leases has been applied. Changes to significant accounting policies are described below.

(c) Significant Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the interim consolidated financial report are consistent with those adopted and disclosed in the Group's 2019 annual financial report for the financial year ended 30 June 2019, except as outlined below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Leases

The Group has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117. The details of accounting policies under AASB 117 are disclosed separately.

Policy applicable from 1 July 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group used the definition of a lease in AASB 16.

This policy is applied to contracts entered into, on or after 1 July 2019.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant, and equipment. In addition, the right-of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments; and
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

Notes to the Financial Statements

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, it the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and lease liabilities in "loans and borrowings" in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Policy applicable to contracts entered into, before 1 July 2019.

In the comparative period, as a lessee the Group classified leases as operating leases and they were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease.

(d) Significant Accounting Estimates and Assumptions

The significant accounting estimates and assumptions adopted in the preparation of the interim consolidated financial report are consistent with those adopted and disclosed in the Group's 2019 annual financial report for the financial year ended 30 June 2019, other than those mentioned below.

Use of Estimates and Judgements

Leases -The assumptions used for estimating whether the Group is reasonably certain to exercise extension options are disclosed in Note 7.

Share based payments - The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 10.

(e) New and amended standards adopted by the Group

In the half-year ended 31 December 2019, 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 2019.

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

- AASB 16 Leases;

AASB 16 Leases

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 Leases and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption as at 1 July 2019 was as follows:

Right-of-use assets	$108,636
Lease liabilities - current	($72,304)
Lease liabilities – non-current	($36,332)

(f) 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 2019. 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.

Notes to the Financial Statements

(g) Going Concern

For the half-year ended 31 December 2019 the entity recorded a loss of $2,774,912 and had net cash outflows from operating of $1,341,680. The ability of the entity to continue as a going concern is dependent on securing additional funding through its 15% share placement capacity (or larger percentage subject to Shareholder approval) or via short term loan funding arrangements to continue to fund its operational activities.

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.

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. With 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 Group'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 Group 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 Group'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

Note 2. Operating Segments

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 2019	31 Dec 2018
	$	$
Segment revenue and other income	-	-
Segment loss		
Total segment profit (loss)	(2,195,075)	49,155
Inter-segment loss	-	-
Net segment profit (loss)	(2,195,075)	49,155

	31 Dec 2019	30 Jun 2019
	$	$
Total segment assets	40,682,349	41,059,709
Total segment liabilities	(17,161,702)	(15,011,467)

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

	31 Dec 2019	31 Dec 2018
	$	$
Net segment loss	(2,195,075)	49,155
Corporate items:		
Interest revenue	15,124	5,903
Administrative expense	-	(5,346)
Employee and Directors; benefits expense	(594,961)	(999,223)
Net loss before tax from continuing operations	(2,774,912)	(949,511)

Note 3. Revenue

	31 Dec 2019	31 Dec 2018
	$	$
Revenue		
Interest income on bank deposits	15,124	5,903
	15,124	5,903
Other Income		
Rental income – Spinifex Ridge camp	-	850,000
	-	850,000

Note 4. Property, Plant and Equipment

	31 Dec 2019	30 Jun 2019
	$	$
Property, Plant and Equipment:		
At cost	4,018,154	4,012,947
Accumulated depreciation	(2,278,398)	(2,127,318)
Total Property, Plant and Equipment	1,739,756	1,885,629

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

	31 Dec 2019	30 Jun 2019
	$	$
Total Property, Plant and Equipment		
Balance at the beginning of period	1,885,629	1,097,301
Additions	7,924	1,087,914
Disposals	(1,514)	(7,983)
Depreciation expense	(152,283)	(291,603)
Balance at the end of period	1,739,756	1,885,629

Notes to the Financial Statements

Note 4. Property, Plant and Equipment (continued)

	31 Dec 2019 $	30 Jun 2019 $
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	713,039	-
Additions	-	823,226
Depreciation expense	(58,819)	(110,187)
Balance at the end of period	654,220	713,039
Plant and Equipment		
Balance at the beginning of period	1,148,934	1,077,301
Additions	-	261,032
Disposals	(1,514)	(7,983)
Depreciation expense	(93,464)	(181,416)
Transfers from CWIP	11,580	-
Balance at the end of period	1,065,536	1,148,934
Capital Works In Progress		
Balance at the beginning of period	3,656	-
Additions	7,924	3,656
Transfers from CWIP	(11,580)	-
Balance at the end of period	-	3,656

Note 5. Right of Use Assets

	31 Dec 2019 $	30 Jun 2019 $
Right of Use Assets:		
At cost	108,636	-
Accumulated amortisation	(35,428)	-
Total right of use assets	73,208	-

Movements in Carrying Amounts for each class of right of use asset.

	31 Dec 2019 $	30 Jun 2019 $
Total Right of Use Assets		
Balance at the beginning of period	-	-
Additions	108,636	-
Amortisation expense	(35,428)	-
Balance at the end of period	73,208	-
Building Lease		
Balance at the beginning of period	-	-
Additions	100,232	-
Amortisation expense	(33,411)	-
Balance at the end of period	66,821	-
Office Equipment Lease		
Balance at the beginning of period	-	-
Additions	8,404	-
Amortisation expense	(2,017)	-
Balance at the end of period	6,387	-

Notes to the Financial Statements

Note 6. Exploration and Evaluation Expenditure

	31 Dec 2019 $	30 Jun 2019 $
Exploration and Evaluation Expenditure	35,805,747	33,774,248
Movements in Carrying Amounts of Exploration and Evaluation Expenditure		
Balance at the beginning of period	33,774,248	30,490,334
Additions	2,031,499	3,986,853
R&D tax offset received	-	(702,939)
Balance at the end of period	35,805,747	33,774,248

Note 7. Leases

Leases as lessee (AASB 16)

The Group leases offices in West Perth. The lease runs for one year, with an option to renew the lease after that date. Lease payments are subject to a market review on a yearly basis.

The Group leases office equipment. The lease run for four years. Lease payments are fixed for the duration of the lease.

Previously, these leases were classified as operating leases under AASB 117.

The Group leases equipment and premises. These leases are short-term. The Group has elected not to recognise right of use assets and lease liabilities for these leases.

Amounts recognised in profit or loss

The interest on lease liabilities expensed during the half year ended 31 December 2019 was $3,469 (31 December 2018: Nil). (2019 – Leases under AASB 16)

The lease expense during the half year ended 31 December 2019 was Nil (31 December 2018: $43,238). (2018 – Operating leases under AASB 117)

Amounts recognised in statement of cash flows

The cash outflow for leases during the half year ended 31 December 2019 was $37,457 (31 December 2018: Nil).

Note 8. Borrowings

	31 Dec 2019 $	30 Jun 2019 $
Current liabilities		
Borrowings	2,008,306	-
	2,008,306	-

Terms and repayment schedule

				31 Dec 2019		30 Jun 2019	
	Currency	**Nominal Interest rate**	**Year of maturity**	**Face Value**	**Carrying Amount**	**Face Value**	**Carrying Amount**
Borrowings	AUD	8%	2021	2,000,000	2,008,306	-	-

Borrowings

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.

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.

Notes to the Financial Statements

Note 9. Lease Liabilities

	31 Dec 2019 $	30 Jun 2019 $
Current liabilities		
Lease Liabilities	72,334	-
	72,334	-
Non-Current liabilities		
Lease Liabilities	2,314	-
	2,314	-

Terms and repayment schedule

	Currency	Nominal Interest rate	Year of maturity	31 Dec 2019 Face Value	31 Dec 2019 Carrying Amount	30 Jun 2019 Face Value	30 Jun 2019 Carrying Amount
Lease Liabilities	AUD	8%	2020/2021	100,232	74,648	-	-

Note 10. Issued Capital

	31 Dec 2019 No.	31 Dec 2019 $	30 Jun 2019 No.	30 Jun 2019 $
Fully Paid Ordinary Shares	282,529,315	108,433,966	279,862,648	108,041,913
Total		108,433,966		108,041,913

During the half year ended 31 December 2019, the following movements in equity occurred:

Date	*Details*	*Issue Price* $	No.	$
	Balance as at 1 July 2019		279,862,648	108,041,913
18/12/2019	Shares issued exercise of performance rights	0.15	2,666,667	401,167
	Transaction costs relating to shares issued			(9,114)
			282,529,315	108,433,966

The weighted average number of ordinary shares during the year used in calculating the basic and diluted loss per share is 280,051,054. (30 June 2019: 255,631,639)

Performance Rights (unlisted)

	31 Dec 2019 No.	31 Dec 2019 $	30 Jun 2019 No.	30 Jun 2019 $
Performance Rights	3,194,373	455,799	6,346,992	745,017
Total		455,799		745,017

Notes to the Financial Statements

Note 10. Issued Capital (continued)

During the half year ended 31 December 2019, the following movements in performance rights occurred:

Date	*Details*	*Fair Value per performance right*	*Number*	*Value at Grant Date*	*To Expense in future periods*	*Movement for the half year*
Balance as at 1 July 2019			6,346,992			
Issue of performance rights						
26/07/2019	2019 LTIa (a)	0.2050	1,247,382	255,713	102,661	153,051
Exercise of performance rights						
18/12/2019	2018 LTI MD (b)	0.1800	(1,000,000)	180,000	-	(180,000)
18/12/2019	2018 LTI MD (b)	0.1327	(1,666,667)	221,167	-	(221,167)
Expiry of performance rights						
26/07/2019	2018 LTI (c)	0.1950	(66,667)	260,001	-	(7,794)
02/12/2019	2018 LTI MD (b)	0.1169	(1,666,667)	194,833	-	(136,688)
Performance rights expensed over vesting						
31/12/2019	2018 LTI ED	0.1800	-	120,000	31,806	36,455
31/12/2019	2018 LTI MD	0.1169	-	194,833	-	34,988
31/12/2019	2018 LTI	0.1950	-	260,001	30,861	27,987
31/12/2019	2019 LTI	0.2350	-	9,400	2,788	3,950
			3,194,373		168,116	(289,218)

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 Group's existing fully paid ordinary shares.

(a) 2019 LTIa – On 26 July 2019, 1,247,382 unlisted performance rights were granted to Key Management Personnel and Employees, 25% vesting on 31 December 2019 subject to being in the service of the Group on the vesting date, 25% vesting on 30 June 2020 subject to being in the service of the Group on the vesting date and 50% vesting on the commencement of Sulphur Springs Constructions by Q2 2020. 287,857 of these were issued to Trevor Hart who is Key Management Personnel. 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	SBP reserve
					$	$	$	$
311,846	2019 LTIa	26/07/2019	31/12/2019	26/07/2026	-	0.205	63,928	63,928
311,846	2019 LTIa	26/07/2019	30/06/2020	26/07/2026	-	0.205	29,708	29,708
623,690	2019 LTIa	26/07/2019	30/06/2020	26/07/2026	-	0.205	59,416	59,416
1,247,382							153,052	153,052

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) 2018 LTI MD - On 2 December 2019, 1,666,667 unlisted performance rights that were granted to Key Management Personnel expired. On 18 December 2019, 2,666,667 unlisted performance rights that had previously met the vesting conditions were converted to ordinary shares.

(c) 2019 LTIa - On 26 July 2019, 66,667 unlisted performance rights expired.

Notes to the Financial Statements

Note 11. 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.

Note 12. Events Subsequent to Reporting Date

The Western Australian Environmental Protection Authority (EPA) has concluded its assessment of the Sulphur Springs Project and initiated consultation with decision making authorities and Venturex on implementation conditions. This consultation does not imply a final approval but is a key milestone towards achieving Ministerial environmental approval.

On 7 February 2020, 246,735 Performance Rights were issued to various employees.

On 21 February 2020, 600,003 Performance Rights did not meet their milestone and vesting criteria and expired.

On 27 February 2020, 32,000 Performance Rights did not meet their milestone and vesting criteria and expired.

On 27 February 2020, 563,094 Ordinary Shares were issued following the conversion of Performance Rights.

No other events or circumstances have arisen since 31 December 2019 that would require disclosure in this financial report.

Note 13. Related Party Changes

The details of the performance rights issued and expired can be found within Note 10.

There have been no other changes to related party transactions.

Note 14. Contingent Liabilities and Commitments

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

Note 15. Dividends

The Directors did not pay or declare any dividends during the half year ended 31 December 2019.

Directors' Declaration

In the opinion of the Directors' of Venturex Resources Limited:

1. The consolidated interim financial statements and notes, as set out on pages 5 to 18 are in accordance with the *Corporations Act 2001*, including:

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

   (b) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half year ended on that date.

2. there are reasonable grounds to believe that the Group 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
<u>Executive Director</u>

Dated: 11 March 2020

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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 2019, 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 2019 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 2019 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, 11 March 2020