

15 March 2021

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.

For an on behalf of the Board of Directors:



Trevor Hart
Company Secretary & CFO

For further information, please contact:

Investors

Trevor Hart
Venturex Resources Limited
P: +61 8 6389 7400
E: admin@venturexresources.com

Media

Nicholas Read
Read Corporate
P: +61 8 9388 1474
E: info@readcorporate.com.au



VENTUREX RESOURCES LIMITED

ABN 28 122 180 205

Consolidated Interim Financial Report

**For the Half Year Ended
31 December 2020**

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 2020 and any public announcements made by Venturex Resources Limited during the half year to 31 December 2020 in accordance with the continuous disclosure of the Corporations Act 2001.

Corporate Directory

DIRECTORS

Anthony Kiernan Non-Executive Chairman
Anthony Reilly Executive Director
Michael McMullen Executive Director
Craig McGown Non-Executive Director

COMPANY SECRETARY/CFO

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

Link Market Services Limited
Level 12, 250 St Georges Terrace
Perth WA 6000, Australia

Tel: (61) 1300 554 474

Fax: (61 2) 9287 0303

Table of Contents

Directors' Report	2
Auditor's Independence Declaration	5
Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flow	9
Notes to the Financial Statements.....	10
Directors' Declaration.....	19
Independent Auditor's Review Report	20

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 2020.

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	
Anthony Reilly	Executive Director	
Michael McMullen	Executive Director	appointed 24 February 2021
Craig McGown	Non-Executive Director	appointed 8 February 2021

Darren Stralow	Non-Executive Director	resigned 24 February 2021
----------------	------------------------	---------------------------

Financial Results

The consolidated loss before and after income tax of the Group during the half year ended 31 December 2020 was \$2,788,713 (31 December 2019: \$2,774,912).

Dividend

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

Review of Operations

During the six months ended 31 December 2020, the Group's principal continuing activity was the further advancement to development of the Sulphur Springs Copper-Zinc Project and continued to explore its tenements, which are located in the Pilbara in Western Australia.

Sulphur Springs Copper-Zinc Project

- Project implementation and development strategies advancing.
- A Heritage Survey has been completed by the Njamal Traditional Owners.

Mining and Environmental Approvals

- A Mining Proposal was approved for the construction of the access road to the mine site.
- The approval of a separate Mining Proposal is required for the development of the open cut and underground mine and processing plant.
- Other secondary approvals for the Sulphur Springs Copper-Zinc Project remain in process or in preparation.

Exploration

- An exploration drilling programme was completed at the Breakers prospects which forms part of the Sulphur Springs Copper-Zinc Project, resulting in thick high-grade VMS mineralisation intersected.
- Geophysical surveys were also completed at the Evelyn and Salt Creek prospects within the Whim Creek Project.

Financing

- In July and August, Venturex completed a capital raising of \$3,551,126 (with an issue price of \$0.055), consisting of an Institutional Placement and a Share Purchase Plan were completed, resulting in the issue of 64,565,872 Ordinary Shares and 49,492,207 free attaching Options (with an exercise price of \$0.10).
- A total of 4,082,560 unlisted options (with an exercise price of \$0.10) were exercised during the period, resulting in \$408,256 being received.

Directors' Report

Whim Creek Joint Venture

- On the 21 July 2020, a binding earn-in and joint venture agreement was executed with ANX Metals Ltd ("ANX" then Aurora Minerals Limited) covering the non-core Whim Creek Copper-Zinc Project in the Pilbara region. ANX is to earn an 80% interest via cash payments to Venturex totalling \$3.15m, project expenditure of \$4m and assuming the obligation for the external \$3.5m (second tranche) payment on mining. Venturex is free carried through to the Decision to Mine.
- As announced (ASX release 7 December 2020), ANX earned a 40% interest of the Whim Creek Joint Venture and subsequent to the half year has earned a further 40% on 15 January 2021 to increase their interest of the Whim Creek Joint Venture to 80%.

Corporate

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

- Expiry of 623,691 performance rights on 1 July 2020;
- Issue of 36,504,484 ordinary shares on 20 July 2020 (Share Purchase Plan);
- Issue of 545,454 ordinary shares on 20 July 2020, converting \$30,000 of the Northern Star Resources Limited Loan (Share Purchase Plan);
- Issue of 1,818,180 ordinary shares on 23 July 2020 (Institutional Placement);
- Conversion of 373,530 performance rights into ordinary shares on 31 July 2020;
- Issue of 11,052,300 ordinary shares on 17 August 2020 (Institutional Placement);
- Issue of 14,645,454 ordinary shares on 17 August 2020, converting \$805,500 of the Northern Star Resources Limited Loan (Institutional Placement);
- Expiry of 666,667 performance rights on 21 August 2020;
- Conversion of 244,322 performance rights into ordinary shares on 1 September 2020;
- Conversion of 33,334 performance rights into ordinary shares on 20 October 2020;
- Issue of 4,419,445 performance rights on 26 October 2020;
- Conversion of 908,332 unlisted options into ordinary shares on 30 October 2020;
- Conversion of 1,115,950 unlisted options into ordinary shares on 18 November 2020;
- Conversion of 981,700 unlisted options into ordinary shares on 04 December 2020;
- Conversion of 1,076,578 unlisted options into ordinary shares on 18 December 2020.

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

- 403,855,095 ordinary shares
- 4,419,445 unlisted performance rights
- 28,401,068 unlisted options

Events Subsequent to Reporting Date

- On 15th January 2021, Anax Metals Ltd (ANX) completed the additional earn in interest after spending a total of \$1.5 million. From this date ANX holds 80% / VXR holds 20% of the joint venture interest in the Whim Creek Project.
- On 22 January 2021, 567,264 Ordinary Shares were issued following the conversion of unlisted Options, raising \$56,726.
- On 8 February 2021, (ASX release date), Venturex announced that Tony Kiernan will resign as non-executive Chairman and as a Director from 31 March 2021 and Anthony Reilly will assume the role of Chairman on an interim basis from 31 March 2021.
- On 8 February 2021, Craig McGown was appointed to the Board as a non-executive Director.
- On 23 February 2021, Venturex entered a consultancy agreement with Bill Beament.
- As previously announced on 24 February 2021, Bill Beament will join the board as a full-time Executive Director from 1 July 2021 (subject to shareholder approval).

Directors' Report

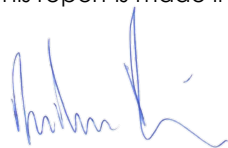
- As previously announced on 24 February 2021 Mr Beament proposes to subscribe for \$8.9M in shares in a placement at 8c with a one for-two free attaching option, exercisable at 13.5c with a two-year expiry date. In addition to the placement there will be a second placement of \$5.1M to institutional and professional investors on the same terms. The total placements amount to \$14M.
- A one-for-seven underwritten Entitlement Offer will be offered to existing shareholders to raise \$4.4M on the same terms. The entire Placement and attaching options are subject to shareholder approval.
- On completion of the Placement, Craig McGown will resign from the Venturex Board, Anthony Reilly will transition from Executive Chair to Executive Director, and Michael Blakiston will be appointed as Non-executive Chair (subject to shareholder approval)
- On 24 February 2021, Darren Stralow resigned as a non-executive Director.
- On 24 February 2021, Michael McMullen was appointed to the Board as an executive Director.
- Subject to shareholder approval Michael Blakiston and Michael McMullen will respectively be granted 7.0m and 10m 3 year options exercisable at 15c.
- On 2 March 2021, 10,495,375 Ordinary Shares were issued following the conversion of unlisted Options, raising \$1,049,538.
- On 5 March 2021, 5,491,395 Ordinary Shares were issued following the conversion of unlisted Options, raising \$549,139.
- On 8 March 2021, 454,545 Ordinary Shares were issued following the conversion of unlisted Options, raising \$45,445.
- The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially neutral for the consolidated entity up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other events or circumstances have arisen since 31 December 2020 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: 15 March 2021

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 2020, 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, 15 March 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year Ended 31 December 2020

	Notes	31 December 2020 \$	31 December 2019 \$
Revenue			
Revenue	3	9,144	15,124
Other Income	3	143,137	-
Expenses			
Administrative expenses		(231,613)	(290,185)
Corporate expenses		(85,194)	(148,774)
Directors, employees, and consultants fees		(674,776)	(909,435)
Exploration and evaluation expenses		(205,677)	(135,454)
Depreciation and amortisation expenses		(175,668)	(187,711)
Impairment of trade and other receivables		(158,011)	(6,600)
Impairment of exploration and evaluation expenses		(816,720)	-
Re-estimation of site rehabilitation provisions		-	(1,113,956)
Loss on sale of property, plant and equipment		(538,729)	-
Finance costs		(54,606)	2,079
Loss before income tax		(2,788,713)	(2,774,912)
Loss after income tax attributable to the owners of the Group		(2,788,713)	(2,774,912)
Total comprehensive loss for the period attributable to owners of the Group		(2,788,713)	(2,774,912)
Loss per share for the half year attributable to the owners of the Group			
Basic and Diluted loss per share (cents)		(0.75)	(0.99)

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 2020

	Notes	31 December 2020 \$	30 June 2020 \$
Assets			
Current assets			
Cash and cash equivalents		2,594,496	2,256,492
Trade and other receivables		422,011	752,824
Inventories		6,853	23,885
Other assets		118,599	202,970
Total current assets		3,141,959	3,236,171
Non-current assets			
Property, plant and equipment	4	761,372	1,588,813
Right of use assets		137,136	39,309
Exploration and evaluation expenditure	5	31,594,083	37,002,615
Other receivables	6	5,721,218	-
Total non-current assets		38,213,809	38,630,737
Total assets		41,355,768	41,866,908
Liabilities			
Current liabilities			
Trade and other payables		835,762	1,455,241
Borrowings	7	1,170,545	2,087,869
Lease liabilities		73,101	40,455
Employee benefits		94,743	74,412
Total current liabilities		2,174,151	3,657,977
Non-current liabilities			
Lease liabilities		64,183	364
Employee benefits		19,899	18,720
Provisions	8	14,303,045	14,309,467
Total non-current liabilities		14,387,127	14,328,551
Total liabilities		16,561,278	17,986,528
Net assets		24,794,490	23,880,380
Equity			
Issued capital	9	114,084,266	110,289,634
Reserves		136,341	228,150
Accumulated losses		(89,426,117)	(86,637,404)
Total equity		24,794,490	23,880,380

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 2020

	Notes	Issued Capital \$	Share Based Compensation Reserve \$	Accumulated Losses \$	Total Equity \$
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	9	(9,114)	-	-	(9,114)
Share based payments issued	9	-	256,431	-	256,431
Share based payments exercised	9	401,167	(401,167)	-	-
Share based payments forfeited	9	-	(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
Balance at 30 June 2020		110,289,634	228,150	(86,637,404)	23,880,380
Loss for the period		-	-	(2,788,713)	(2,788,713)
Total comprehensive loss for the period		-	-	(2,788,713)	(2,788,713)
Transactions with owners in their capacity as owners:					
Issue of securities	9	3,551,126	-	-	3,551,126
Security issue costs	9	(279,918)	-	-	(279,918)
Share based payments issued	9	-	143,359	-	143,359
Share based payments exercised	9	115,168	(115,168)	-	-
Share based payments forfeited	9	-	(120,000)	-	(120,000)
Options exercised	9	408,256	-	-	408,256
		3,794,632	(91,809)	-	3,702,823
Balance at 31 Dec 2020		114,084,266	136,341	(89,426,117)	24,794,490

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 2020

	31 December 2020 \$	31 December 2019 \$
Cash flows related to operating activities		
Payments to suppliers and employees	(1,346,989)	(1,352,515)
Receipts from lease of camp	38,500	-
Interest received	9,159	16,350
Interest paid	(142,852)	(5,515)
Government stimulus and Job Keeper received	163,000	-
Net cash used in operating cash flows	(1,279,182)	(1,341,680)
Cash flows related to investing activities		
Payments for purchases of property, plant and equipment	-	(14,472)
Proceeds for sale of property, plant and equipment	150,000	1,136
Payment for exploration and evaluation expenditure	(1,226,870)	(2,818,591)
Net cash used in investing cash flows	(1,076,870)	(2,831,927)
Cash flows related to financing activities		
Proceeds from issue of securities	2,715,626	-
Proceeds from conversion of options into shares	410,074	-
Capital raising costs	(297,517)	(9,114)
Proceeds from borrowings	-	2,000,000
Repayment of borrowings	(134,127)	(80,843)
Net cash provided by financing cash flows	2,694,056	1,910,043
Net increase (decrease) in cash and cash equivalents	338,004	(2,263,564)
Cash and cash equivalents at the beginning of the half year	2,256,492	4,910,026
Cash and cash equivalents at the end of the half year	2,594,496	2,646,462

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 2020 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 2020, together with any public announcements made during the half year.

The consolidated interim financial statements have been prepared on a going concern basis.

(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 2020 annual financial report for the financial year ended 30 June 2020, except as outlined below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(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 2020 annual financial report for the financial year ended 30 June 2020, other than those mentioned below.

Use of Estimates and Judgements

Share based payments - The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 9.

(e) New and amended standards adopted by the Group

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

(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 2020. 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

Note 2. Operating Segments

The Board of Directors, which is the chief operating decision maker, 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 segments based on a measure of exploration and evaluation expenditure for each geographical area. The measure excludes items such as the effects of share-based payments expenses, interest income, and corporate expenses as these activities are centralised.

	31 Dec 2020	31 Dec 2019
	\$	\$
Segment revenue and other income	-	-
Segment loss		
Total segment profit (loss)	(2,497,100)	(2,195,075)
Inter-segment loss	-	-
Net segment loss	(2,497,100)	(2,195,075)

	31 Dec 2020	30 Jun 2020
	\$	\$
Total segment assets	41,355,768	41,866,908
Total segment liabilities	(16,561,278)	(17,986,528)

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

	31 Dec 2020	31 Dec 2019
	\$	\$
Net segment loss	(2,497,100)	(2,195,075)
Corporate items:		
Interest revenue	9,144	15,124
Other revenue	143,137	-
Employee and Directors; benefits expense	(443,894)	(594,961)
Net loss before tax from continuing operations	(2,788,713)	(2,774,912)

Note 3. Revenue

	31 Dec 2020	31 Dec 2019
	\$	\$
Revenue		
Interest income on bank deposits	9,144	15,124
	9,144	15,124
Other Income		
Rental income – Spinifex Ridge camp	7,637	-
Government Stimulus	67,500	-
JobKeeper	68,000	-
	143,137	-

Note 4. Property, Plant and Equipment

	31 Dec 2020	30 Jun 2020
	\$	\$
Property, Plant and Equipment:		
At cost	1,413,699	4,018,054
Accumulated depreciation	(652,327)	(2,429,241)
Total Property, Plant and Equipment	761,372	1,588,813

Notes to the Financial Statements

Note 4. Property, Plant and Equipment (continued)

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

	31 Dec 2020 \$	30 Jun 2020 \$
Total Property, Plant and Equipment		
Balance at the beginning of period	1,588,813	1,885,629
Additions	-	7,924
Disposals	(688,729)	(1,513)
Depreciation expense	(138,712)	(303,227)
Balance at the end of period	761,372	1,588,813
Property		
Balance at the beginning of period	20,000	20,000
Disposals	(20,000)	-
Balance at the end of period	-	20,000
Buildings		
Balance at the beginning of period	595,400	713,039
Depreciation expense	(58,819)	(117,639)
Balance at the end of period	536,581	595,400
Plant and Equipment		
Balance at the beginning of period	973,413	1,148,934
Disposals	(668,729)	(1,513)
Depreciation expense	(79,893)	(185,588)
Transfers from CWIP	-	11,580
Balance at the end of period	224,791	973,413
Capital Works In Progress		
Balance at the beginning of period	-	3,656
Additions	-	7,924
Transfers from CWIP	-	(11,580)
Balance at the end of period	-	-

Note 5. Exploration and Evaluation Expenditure

	Notes	31 Dec 2020 \$	30 Jun 2020 \$
At cost		71,761,784	76,353,596
Accumulated impairment loss		(40,167,701)	(39,350,981)
Exploration and Evaluation Expenditure		31,594,083	37,002,615
<i>Movements in Carrying Amounts of Exploration and Evaluation Expenditure</i>			
Balance at the beginning of period		37,002,615	33,774,248
Additions		1,129,406	3,333,477
JV receivable for rehabilitation	6	(5,721,218)	-
Impairment	a	(816,720)	-
R&D tax offset received		-	(105,110)
Balance at the end of period		31,594,083	37,002,615

(a) An impairment for the remaining Whim Creek Copper-Zinc Tenement that was not included in the Whim Creek Joint Venture.

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

Notes to the Financial Statements

Note 6. Other Non-Current Receivables

	31 Dec 2020 \$	30 Jun 2020 \$
Other non-current receivables	5,721,218	-
	<u>5,721,218</u>	<u>-</u>

Other non-current receivables include an estimate of the amount payable by the operators of the Whim Creek Joint Venture for fulfilment of rehabilitation obligations at the end of operations.

Note 7. Borrowings

	31 Dec 2020 \$	30 Jun 2020 \$
Borrowings	1,170,545	2,087,869
	<u>1,170,545</u>	<u>2,087,869</u>
Carrying amount at the beginning of year	2,087,869	-
Loan	-	2,000,000
Interest	56,880	87,869
Conversion of debt into equity	(835,500)	-
Repayment of loan	(138,704)	-
	<u>1,170,545</u>	<u>2,087,869</u>

Terms and repayment schedule

				31 Dec 2020		30 Jun 2020	
	Currency	Nominal Interest rate	Year of maturity	Face Value	Carrying Amount	Face Value	Carrying Amount
				\$	\$	\$	\$
Borrowings	AUD	8%	2021	-	-	2,000,000	2,087,869
Borrowings	AUD	10%	2021	1,164,500	1,170,545	-	-

Borrowings

The binding Loan Agreement between Venturex and major shareholder, Northern Star Resources Limited has been partially repaid by converting \$835,500 of the original loan into Venturex shares (15,190,908 shares issued) in July and August 2020 and the repayment of interest. Venturex extended the Loan Agreement for a period of six months and accrues interest at the rate of 10% per annum.

Note 8. Provisions

	31 Dec 2020 \$	30 Jun 2020 \$
<i>Mine Rehabilitation:</i>		
Opening balance at beginning of year	14,309,467	13,402,717
Increase in the discounted amount arising because of change in assumptions	-	938,534
Interest Expense	(6,422)	(31,784)
Balance at end of the year	<u>14,303,045</u>	<u>14,309,467</u>

Mine Rehabilitation

A provision is made for the estimated cost to rehabilitate the Whim Creek site, which is offset by a receivable from ANAX Metals Ltd recognising the contractual requirement to rehabilitate the site.

Notes to the Financial Statements

Note 9. Issued Capital

			31 Dec 2020		30 Jun 2020	
			No.	\$	No.	\$
Fully	Paid	Ordinary	386,846,516	114,084,266	317,546,898	110,289,634
				<u>114,084,266</u>		<u>110,289,634</u>

During the half year ended 31 December 2020, the following movements in equity occurred:

Date	Details	Notes	Issue Price \$	No.	\$
	Balance as at 1 July 2020			317,546,898	110,289,634
Shares Issued					
20/07/2020	Share purchase plan	(a)	0.0550	36,504,484	2,007,750
20/07/2020	Conversion of debt to equity		0.0550	545,454	30,000
23/07/2020	Share purchase plan		0.0550	1,818,180	100,000
31/07/2020	Exercise of performance rights	(b)	0.2050	250,162	51,283
31/07/2020	Exercise of performance rights		0.1025	123,368	12,645
17/08/2020	Institutional placement		0.0550	11,052,300	607,876
17/08/2020	Conversion of debt to equity		0.0550	14,645,454	805,500
01/09/2020	Exercise of performance rights		0.1191	40,319	4,800
01/09/2020	Exercise of performance rights	(c)	0.1950	200,003	39,000
01/09/2020	Exercise of performance rights		0.2350	4,000	940
20/10/2020	Exercise of performance rights		0.1950	33,334	6,500
30/10/2020	Conversion of options		0.1000	908,332	90,833
18/11/2020	Conversion of options		0.1000	1,115,950	111,595
04/12/2020	Conversion of options		0.1000	981,700	98,170
18/12/2020	Conversion of options		0.1000	1,076,578	107,658
Transaction Costs					
	Transaction costs				(279,918)
				<u>386,846,516</u>	<u>114,084,266</u>

(a) As part of the share purchase plan 545,454 Ordinary Shares at \$0.055 were issued to Anthony Kiernan, Anthony Reilly and Darren Stralow, and 363,636 Ordinary Shares at \$0.055 were issued to Trevor Hart.

(b) 71,964 Unlisted Performance Rights were converted to Ordinary Shares that were issued to Trevor Hart.

(c) 83,334 Unlisted Performance Rights were converted to Ordinary Shares that were issued to Trevor Hart.

The weighted average number of ordinary shares during the year used in calculating the basic and diluted loss per share is 372,425,856. (30 June 2020: 282,706,955)

On 26 August 2020, 880,000 Ordinary Shares that were escrowed, were released from escrow.

Notes to the Financial Statements

Note 9. Issued Capital (continued)

Performance Rights (unlisted)

	31 Dec 2020		30 Jun 2020	
	No.	\$	No.	\$
Performance Rights	4,419,445	136,341	1,317,850	228,150
Total		<u>136,341</u>		<u>228,150</u>

During the half year ended 31 December 2020, 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
		\$	No.	\$	\$	\$
Balance as at 1 July			1,317,850			228,150
Issue of performance rights (a)						
26/10/2020	2020 LTI	0.1300	3,341,667	434,417	330,371	104,045
26/10/2020	2020 LTI TH	0.1300	1,077,778	140,111	107,815	32,296
Exercise of performance rights						
31/07/2020	2019 LTI	0.2050	(178,195)	36,530	-	(36,530)
31/07/2020	2019 LTI TH	0.2050	(71,964)	14,753	-	(14,753)
31/07/2020	2020 LTI	0.1025	(123,368)	12,645	-	(12,645)
01/09/2020	2016 LTI	0.1191	(40,319)	4,800	-	(4,800)
01/09/2020	2018 LTI	0.1950	(116,669)	22,750	-	(22,750)
01/09/2020	2018 LTI TH	0.1950	(83,334)	16,250	-	(16,250)
01/09/2020	2019 LTI	0.2350	(4,000)	940	-	(940)
20/10/2020	2018 LTI	0.1950	(33,334)	6,500	-	(6,500)
Expiry of performance rights						
21/08/2020	2018 LTI ED	0.1800	(666,667)	120,000	-	(120,000)
Performance rights expensed over vesting						
31/12/2020	2018 LTI ED	0.1800	-	120,000	-	6,528
31/12/2020	2019 LTI	0.2350	-	9,400	-	490
			<u>4,419,445</u>		<u>438,186</u>	<u>136,341</u>

2020 LTI TH, 2019 LTI TH and 2018 LTI TH are performance rights that have been issued to Trevor Hart. 2018 LTI ED are performance rights that have been issued to Anthony Reilly. Both are Key Management Personnel.

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) 2020 LTI – On 26 October 2020, 4,419,445 unlisted performance rights were granted to Key Management Personnel and Employees, 14% vesting on 31 December 2020 subject to being in the service of the Group on the vesting date, 14% vesting on 30 June 2021 subject to being in the service of the Group on the vesting date, 72% vesting on or before 25 October 2022 subject to the following conditions being achieved, the sale or joint venture of Whim Creek, obtaining Sulphur Springs Project Approvals, an increase in Sulphur Springs resources and at the Board discretion. 1,077,778 of these were issued to Trevor Hart who is part of the Key Management Personnel. The probability of achieving the non-market conditions is currently at 100%.

Notes to the Financial Statements

Note 9. Issued Capital (continued)

Inputs to the Performance Rights model

Number	Grant Date	Vesting Date	Expiry Date	Exercise Price \$	Fair Value \$	Total FV at Grant Date \$	Expense for period \$
597,222	26/10/2020	31/12/2020	25/10/2022	-	0.130	77,639	77,639
597,222	26/10/2020	30/06/2021	25/10/2022	-	0.130	77,639	20,746
3,225,001	26/10/2020	25/10/2022	25/10/2022	-	0.130	419,250	37,956
<u>4,419,445</u>						<u>574,528</u>	<u>136,341</u>

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.

Options (unlisted)

	31 Dec 2020		30 Jun 2020	
	No.	\$	No.	\$
Options	45,409,647	-	-	-
Total		-		-

49,492,207 unlisted Options were issued as part of the share purchase plan and institutional placement. The unlisted Options are exercisable at \$0.10 on or before 15th December 2021. As part of this issue, 272,727 unlisted Options were issued to Anthony Kiernan, Anthony Reilly, and Darren Stralow, and 181,818 unlisted Options were issued to Trevor Hart.

During the half year 4,082,560 unlisted Options were converted to Ordinary Shares, raising \$408,256.

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

Note 10. 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 11. Events Subsequent to Reporting Date

On 15th January 2021, Anax Metals Ltd (ANX) completed the additional earn in interest after spending a total of \$1.5 million. From this date ANX holds 80% / VXR holds 20% of the joint venture interest in the Whim Creek Project.

On 22 January 2021, 567,264 Ordinary Shares were issued following the conversion of unlisted Options, raising \$56,726.

On 8 February 2021, (ASX release date), Venturex announced that Tony Kiernan will resign as non-executive Chairman and as a Director from 31 March 2021 and Anthony Reilly will assume the role of Chairman on an interim basis from 31 March 2021.

On 8 February 2021, Craig McGown was appointed to the Board as a non-executive Director.

On 23 February 2021, Venturex entered a consultancy agreement with Bill Beament.

As previously announced on 24 February 2021, Bill Beament will join the board as a full-time Executive Director from 1 July 2021 (subject to shareholder approval).

Notes to the Financial Statements

Note 11. Events Subsequent to Reporting Date (continued)

As previously announced on 24 February 2021 Mr Beament proposes to subscribe for \$8.9M in shares in a placement at 8c with a one for-two free attaching option, exercisable at 13.5c with a two-year expiry date. In addition to the placement there will be a second placement of \$5.1M to institutional and professional investors on the same terms. The total placements amount to \$14M.

A one-for-seven underwritten Entitlement Offer will be offered to existing shareholders to raise \$4.4M on the same terms. The entire Placement and attaching options are subject to shareholder approval.

On completion of the Placement, Craig McGown will resign from the Venturex Board, Anthony Reilly will transition from Executive Chair to Executive Director, and Michael Blakiston will be appointed as Non-executive Chair (subject to shareholder approval)

On 24 February 2021, Darren Stralow resigned as a non-executive Director.

On 24 February 2021, Michael McMullen was appointed to the Board as an executive Director.

Subject to shareholder approval Michael Blakiston and Michael McMullen will respectively be granted 7.0m and 10m 3 year options exercisable at 15c.

On 2 March 2021, 10,495,375 Ordinary Shares were issued following the conversion of unlisted Options, raising \$1,049,538.

On 5 March 2021, 5,491,395 Ordinary Shares were issued following the conversion of unlisted Options, raising \$549,139.

On 8 March 2021, 454,545 Ordinary Shares were issued following the conversion of unlisted Options, raising \$45,445.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially neutral for the consolidated entity up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other events or circumstances have arisen since 31 December 2020 that would require disclosure in this financial report.

Note 12. Related Party Changes

The details of the shares issued, performance rights issued, exercised and expired can be found within Note 9.

There have been no other changes to related party transactions.

Note 13. Capital Commitments

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to comply with the minimum expenditure obligations under the Mining Act. These obligations have been met, or the appropriate exemptions have been granted. The future obligations, which are subject to renegotiation when an application for a mining lease is made and at other times, are not provided for in the financial statements. Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	31 Dec 2020 \$	30 Jun 2020 \$
Not later than 12 months	560,700	1,230,281
Between 12 months and 5 years	-	-
Greater than 5 years	-	-
	<u>560,700</u>	<u>1,230,281</u>

The exploration expenditure commitments have decreased due to the Whim Creek Joint Venture and Venturex being free carried through to Decision to Mine.

Notes to the Financial Statements

Note 14. Contingent Liabilities

The Group's contingencies that have changed during the reporting period are as follows:

The following contingent liability has been included in the Whim Creek Joint Venture. When ANX obtains an 80% interest, they will assume all liability with the Aeris Contract detailed below. As at 31 December 2020, there are no changes to this contingent liability as ANX has a 40% interest. Subsequent to the reporting period ANX has assumed 100% of this contingent liability, as per the JV agreement announcement on 21 July 2020.

- The acquisition of Venturex Pilbara Pty Ltd on 1 February 2010, resulted in Venturex including as part of the purchase consideration a contingent liability. This is based upon an announcement of the Company's intention to commence mining operations on any of the tenements held by Venturex or its related bodies corporate, within 100 kilometres of Whim Creek. Venturex will issue such number of shares equal to \$3,000,000 divided by the 30-day volume weighted average trading price of the Company's shares trading on the ASX over the period ending on the day immediately prior to any announcement of the intention to commence mining operations by the Company. This is subject to receipt of all necessary Shareholder approvals. If approval is not obtained, Venturex will instead pay the amount of \$3,500,000 cash. A deed of variation was entered into and a royalty is payable of \$30 per tonne of contained Copper Metal for any additional material added to the Heap Leach Dumps after 1 March 2016.

The following contingent liabilities have been included in the Whim Creek Joint Venture. As at 31 December 2020, ANX has assumed 40% of these contingent liabilities. Subsequent to the reporting period ANX has assumed 80% of these contingent liabilities, as per the JV agreement announcement on 21 July 2020.

- As part of the termination of a Joint Venture Agreement, Venturex granted a royalty of 2.4% of the total value of minerals mined from the Liberty Indee tenements. The total value of minerals is to be calculated in accordance with the Mining Act and by the Department of Mines, Industry Regulation and Safety to calculate the State Royalty.
- As part of a Partial Surrender Agreement a royalty of 4% on net smelter return (Au and Ag) is payable for M47/443.
- As part of a Sale and Option Agreement a royalty of 2.5% of net profit on production greater than 1mt of ore is payable for M47/323 & M 47/324.

There have been no other changes in contingent liabilities 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 2020.

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 2020 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
Executive Director

Dated: 15 March 2021

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 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant 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 accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 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*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

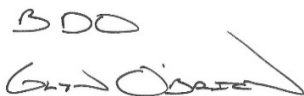
The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

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.

BDO Audit (WA) Pty Ltd

The block contains a handwritten signature in black ink. Above the signature, the letters 'BDO' are handwritten in a simple, blocky font.

Glyn O'Brien

Director

Perth, 15 March 2021