



# Annual Report 30 June 2013

ABN 51 119 678 385

## Corporate Directory

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### **Non-Executive Chairman**

Mel Ashton

### **Managing Director**

Hamish Halliday

### **Technical Director**

Andrew Radonjic

### **Non-Executive Directors**

Bruce McFadzean

John Jetter

### **Company Secretary**

Brett Dunnachie

Jon Grygorcewicz

### **Principal & Registered Office**

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Telephone: (08) 9381 4222

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### **Share Registry**

Security Transfer Registrars Pty Ltd

770 Canning Highway

APPLECROSS WA 6153

### **Auditors**

Stantons International

Level 2

1 Walker Avenue

WEST PERTH WA 6005

### **Bankers**

National Australia Bank

50 St Georges Terrace

PERTH WA 6000

### **Stock Exchange Listing**

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Code: VMS

### **Website Address**

[www.ventureminerals.com.au](http://www.ventureminerals.com.au)

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## Chairman's Letter to Shareholders

On behalf of the Directors of Venture Minerals Limited ("Venture"), I am pleased to present to shareholders the Company's annual report for the year ending 30 June 2013.

This past year has seen Venture take significant strides as we progress towards the commencement of production with all three of our Tasmanian based projects achieving measurable successes along the approval and project development timelines.

The two Direct Shipping Ore ("DSO") hematite Projects (Riley and Livingstone) have shown they will be particularly profitable at current iron ore prices. With a low cost base and minimal impact on the environment, the Riley Project was the principal focus of effort during the year. Riley gained both State and Federal environmental and development approvals readying the project for production in 2013.

A highly experienced Perth and Tasmanian based development team has diligently planned the Riley DSO Project to production readiness. In addition, future projects have benefited from the efforts of the team enabling a longer term planning process for projects in the development pipeline.

This team has expended substantial effort in preparing project development plans, to rigorous internal standards, which have been reviewed by State and Federal Government departments. The review and approval processes are particularly exhaustive and it was with a degree of achievement when the Company received the necessary State and more recently the Federal Minister's environmental approvals.

It is disappointing that having passed through these exhaustive reviews to receive, not one, but subsequently two challenges to the State and Federal approvals. However we felt our detailed planning for the development of the Riley Project was vindicated by the Tasmanian Tribunal's decision in September 2013 to dismiss an appeal on the State EPA and Council approval. We have subsequently received notice that the Federal Minister's approval process is to be challenged. The Company will keep a watching brief on proceedings to protect the Company's interest in this Project.

The Company has received significant support for our development plans from State and Federal government leaders, Ministers, local Council Mayors and councillors, local community leaders, local businesses and more importantly from local residents. This support has culminated in four very public demonstrations of support for the mining industry over the past 12 months conducted in Tullah, Burnie, Smithton and Devonport. We remain thankful for this level of community support to the local industry, and particularly specific support for the Company's Projects.

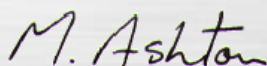
Another significant development during the year was the finalisation, during November 2012, of the bankable feasibility study (BFS) on the Mt Lindsay Tin-Tungsten Project. The Company was proud to announce the BFS results as it was the culmination of several years of exploration effort and perseverance and proved an economically viable project. With current mineral prices and exchange rates approximating those used in the BFS, effort continue to identify near term prospects which will further enhance any future economic returns and ultimately extend the mine life of the Mt Lindsay Project

As part of the Board's plan to identify exploration projects, efforts continue over the Company's tenure within Tasmania. However, more recently it was decided to further utilise Venture's exploration skill set and broaden the Company's portfolio by initiating a strategy to target exploration opportunities in South East Asia. To assist in this initiative the Company has established a low cost regional office with local support and a field team supervised by our Australian based exploration geologists. Initial results have identified a number of opportunities with high priority areas now under tenement application. Venture looks forward to advancing these opportunities following receipt of granted tenure

I would also like to welcome and thank new and existing shareholders who participated in the capital raising and Share Purchase Plan during August 2012. The raising provided additional working capital and development funds that are being used to progress the Company towards production.

The achievements over the course of the past year have left the Company on the brink of achieving early cashflow from inaugural mining activities. The Company remains in a strong position as we move into a potentially exciting 12 months.

Venture credits its successes over the past few years to a dedicated team of professionals and long standing support provided by the all levels of the investment community. The Directors thank all stakeholders for their support and I, together with my fellow Directors, look forward to meeting shareholders at the up and coming annual general meeting.



**Mel Ashton**  
Chairman

**Directors' Report**  
**For the year ended 30 June 2013**

The directors of Venture Minerals Limited submit herewith the consolidated financial statements of the Company and its controlled entities for the financial year ended 30 June 2013 in order to comply with the provisions of the *Corporations Act 2001*.

**1. Directors**

The following persons were directors of Venture Minerals Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

|                    |                        |
|--------------------|------------------------|
| Mr Mel Ashton      | Non-Executive Chairman |
| Mr Hamish Halliday | Managing Director      |
| Mr Andrew Radonjic | Technical Director     |
| Mr Bruce McFadzean | Non-Executive Director |
| Mr John Jetter     | Non-Executive Director |

**2. Principal Activities**

The principal activity of the consolidated entity during the financial year was mineral exploration. There were no significant changes in the nature of the consolidated entity's principal activities during the financial year.

**3. Group Financial Overview**

*Profit and Loss*

The loss of the consolidated entity after income tax amounted to \$3,174,141 (2012: \$ 3,955,394).  
Loss before tax of \$4,886,340 (2012: \$4,822,652) after allowing for exploration costs written off of \$903,147 (2012: \$785,499).

Income tax benefit consists of Research and Development expenditure claim recognised in the year of \$1,712,199 (2012: \$ 867,258).

*Financial Position*

The consolidated entity had \$13,543,340 in cash and cash equivalents as at 30 June 2013 (2012: \$10,096,152).

In addition, the Company has secured a A\$15 million working capital debt facility with global banking group BNP Paribas to provide working capital for the Riley DSO Project.

Key features of the financing facility are as follows:

- i) Finance period of 2 years including a Revolving Cash Advance Facility with a limit of \$15 million for the project financing of Riley DSO Project;
- ii) Revolving credit with flexible repayment and redraw availability with stepped limit reductions during the second year of the loan life;
- iii) Revolving Bank Guarantee Facility for current and future bonds to a facility limit of \$2.5 million;
- iv) Discretionary Commodity Hedging Facility to a limit of 500,000 tonnes iron ore to be at Company's discretion;
- v) All facilities are secured over the DSO mining tenements only; and
- vi) Facility drawdown is subject to completion of facility and security documents and condition precedents including obtaining necessary Project approvals and licences.

The Directors believe the consolidated entity is in a sound financial position with sufficient capital and potential facilities to commence operations at the Riley DSO Project and continue exploration programs.

**4. Dividends Paid or Recommended**

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

## **5. Business Strategies & Prospects for the Forthcoming Year**

Venture Minerals is currently focused upon the development of the current resources identified at its Riley Direct Shipping Ore (DSO) Project. The Company has received necessary environmental approvals and is preparing for an immediate commencement of operations.

Development planning and obtaining necessary environmental approvals will continue at the Livingstone DSO Project to bring that project into production at the conclusion of the Riley DSO Project.

The Company continues to work to develop the Mt Lindsay Tin-Tungsten Project with the released Bankable Feasibility Study results indicating an economically viable project subject to favourable metal prices, particularly for tin and tungsten and a favourable AUD/USD exchange rate.

Venture Minerals may also continue to identify new mineral exploration opportunities within Australia and the rest of the world, particularly South East Asia, for further potential acquisitions which may offer value enhancing opportunities for shareholders.

## **6. Significant Changes in the State of Affairs**

The following significant changes in the state of affairs of the consolidated entity occurred during the financial year:

- On 15 August 2012, 22,959,968 ordinary shares were issued at \$0.31 raising \$7,117,590.
- On 15 August 2012,
  - 2,000,000 options were issued, exercisable at \$0.45 on or before 14 August 2014;
  - 2,000,000 options were issued, exercisable at \$0.50 vesting upon first shipment of DSO product and expiring after 18 months; and
  - 2,500,000 options were issued, exercisable at \$0.55 vesting upon the announcement of a decision to proceed with mining tin in Tasmania, expiring 18 months after vesting date.
- On 12 September 2012, 6,451,578 ordinary shares were issued at \$0.31 raising \$1,999,990 under the share purchase plan.
- On 25 September 2012, 13,907,732 ordinary shares were issued at \$0.31 raising 4,311,397.
- On 12 October 2012, 11,532,300 ordinary shares were issued at \$0.31 raising \$3,575,013.

Following the share placement, during August 2012, the Company welcomed Tasmanian based Elphinstone Holdings as a significant shareholder of the Company.

## **7. Review of Operations**

### *Pre-development projects*

#### **Tasmanian Operations**

Located in North West Tasmania with focus centred on the Mt Lindsay Project area targeting tin and tungsten, and the nearby DSO hematite projects. The Riley DSO Project is nearing imminent commencement of mining. The projects are delineated within the following:

- Riley DSO Project
- Livingstone DSO Project
- Mt Lindsay Tin-Tungsten Project

### *Exploration projects*

#### **South East Asia**

Initial tenement applications are being pursued.

#### **Western Australia**

Paulsens South project located in the Ashburton Mineral field in north Western Australia.

#### **South Australia**

Harris Bluff project located in the south eastern region of the Gawler Craton.



## 7. Review of Operations (continued)

### Tasmanian Operations

The Tasmanian Operations are centred on the Mt Lindsay region and are located in northwest Tasmania (refer Figure 1) approximately 125km south, by sealed road, from the Port of Burnie. The tenement exploration area covers approximately 240 km<sup>2</sup> encompassing the south, west and northern margins and metamorphic aureole of the Meredith Granite. The Meredith Granite is part of a suite of Devonian granites which are associated with several world class tin deposits including Renison Bell (+200,000t of tin metal produced), Mount Bischoff and Cleveland. In addition to the tin deposits the granites also are associated with iron deposits (Savage River operating for +45 years), nickel deposits (Avebury), and poly-metallic deposits (Rosebery – operating for +75 years).

Venture's operations are situated 15km north and along strike from the world class Renison Bell tin mine and 25km south of Australia's longest operating magnetite mine (Savage River). The Company's resource base at Mt Lindsay is situated within granted exploration licenses owned 100% by Venture. In addition to the extensive land position controlled directly by Venture, the Company has earned a 78% interest in tin, tungsten and iron rights, through a joint venture with Bass Metals on EL31/2003 & EL36/2003.

Figure 1: Tasmanian Operations - Mt Lindsay Region



The region has all necessary infrastructure in place with the operations located in close proximity to:

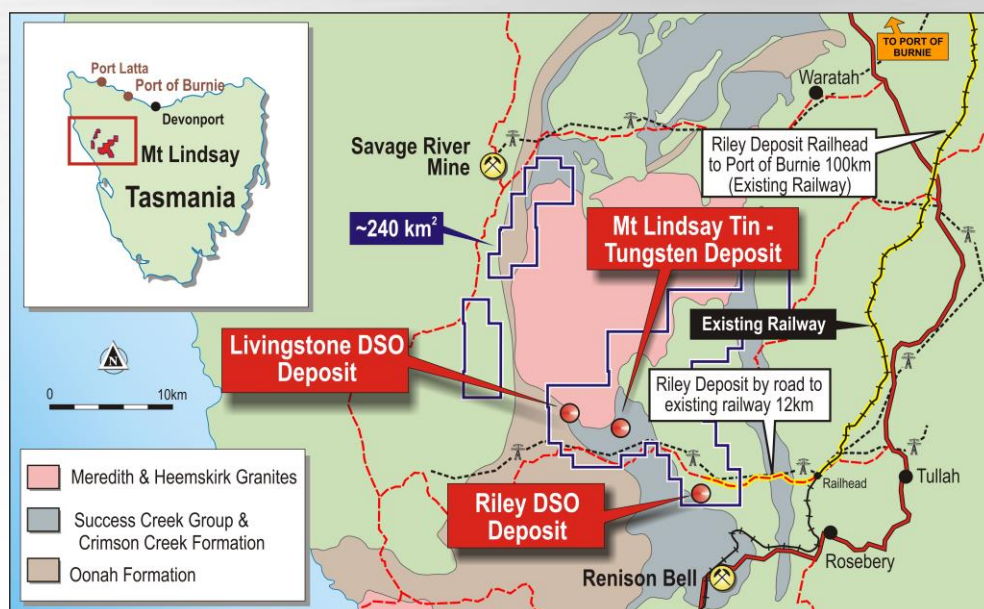
- a sealed road,
- existing rail (with spare capacity) via a sealed road,
- existing port facilities (with spare capacity) via 100km of rail,
- high voltage hydropower,
- abundant water, and
- existing mining support towns – Tullah (20 kms east) & Rosebery (15 kms east-south-east).

The Tasmanian Operations host three projects (refer figure 2) with all projects in the pre-development phase and progressing towards near term production being:

- Riley DSO Project,
- Livingstone DSO Project, and
- Mt Lindsay Tin-Tungsten Project

## 7. Review of Operations (continued)

Figure 2: Location Map for Mt Lindsay Tin-Tungsten Deposit/ Riley DSO Deposit/Livingstone DSO Deposit



### Direct Shipping Ore Projects

Recent exploration activities have identified two areas with outcropping hematite deposits. Follow-up drilling, test pitting and initial scoping studies determined that both areas could potentially be economically extracted to generate early positive cashflow with minimal capital expenditure. These areas are the Riley DSO Project and the Livingstone DSO Project.

#### 1. Riley DSO Project

The Riley DSO deposit is located approximately 16 kms west of the township of Tullah in the West Coast region of north west Tasmania (refer figure 2). The project is located 10km from the Mt Lindsay Project and occurs as a hematite rich pisolitic and cemented laterite. The deposit outcrops at surface and is located less than two kilometres from a sealed road that accesses existing rail and port facilities.

Since its discovery during late 2011, the Company has rapidly progressed resource definition and mine development planning with an application for a mining lease over the Riley Project area culminating with the granting of a mining lease on 21 December 2012.

The Company has quickly advanced the Riley DSO Project with the completion of test pits on a 50m by 50m grid enabling a maiden reserve to be determined during July 2012 (refer Tables 1 and 2).

Metallurgical testing of Riley material has delivered test results with a consistent grade averaging 57% Fe over an initial 2 million tonne resource. A sample of the material has been subjected to sintering tests, screening and sizing testwork. Results from the sintering feed test work program have shown that the sintering fines exhibit excellent properties and are well suited for feedstock blending with ores commonly used by Chinese sinter plants.

Shortly after receipt of the Riley mining lease applications, environmental approvals were submitted to the Tasmanian and Federal authorities. During May 2013 the Tasmanian Environmental Protection Authority (EPA) granted environmental approval and subsequently the West Coast Council granted development approval for the Riley DSO mine. An appeal against the Council development approval was dismissed on 24 September 2013. Federal environmental approval was granted for the Riley DSO Project on 3 August 2013.

Development planning for the Riley DSO Project commenced during early 2013 with the appointment, during March 2013 of Tasmanian based, Shaw Contracting, as preferred mining contractor.

Subsequent to period end, Venture has committed to securing a crusher and screen feeder, high rate thickener and log washer, with a combined expenditure commitment of \$750,000.

Logistical contracts for rail and road transport, port storage and ship loading services are well advanced.

Discussions continue with interested off take parties while the Company awaits final receipt of all development and statutory approvals.



## 7. Review of Operations (continued)

### 2. Livingstone DSO Project

Located 3.5km from the Mt Lindsay Tin-Tungsten Deposit is the Livingstone DSO Hematite Deposit. Livingstone consists of an outcropping hematite cap overlaying a magnetite rich skarn. The hematite occurs from surface, is consistent in grade and located only 2km from a sealed road which accesses existing rail and port facilities.

A maiden resource statement of 2.2mt @ 58% Fe was defined at Livingstone in August 2011, which was followed by a positive and robust scoping study. Additional work later in the year included blending and sizing testwork and preliminary mining studies all of which delivered positive results.

During the second half of 2012 the Company completed a resource upgrade, which resulted in 100% of the inferred resources being converted to the indicated category.

Immediately following the resource upgrade Venture engaged independent mining engineers, Rock Team to complete mining studies on the deposit and produce a reserve statement. With the hematite resources at Livingstone consistent in nature and outcropping at surface the study delivered a 90% conversion rate of resource to reserve.

The Livingstone project area was granted as a mining lease on 28 May 2012 subject to Legislative requirements, including environmental and local council approvals, being satisfied and obtained.

The DSO Resource and Reserve statements are detailed in Tables 1 and 2.

**Table 1 - Resource Statement – DSO Projects**

| Project       | Resource         | Tonnes       | Fe (%)    | Fe (%) Calcined | SiO <sub>2</sub> (%) | Al <sub>2</sub> O <sub>3</sub> (%) | P (%)       | S (%)       | Cr (%)   | LOI (%)    |
|---------------|------------------|--------------|-----------|-----------------|----------------------|------------------------------------|-------------|-------------|----------|------------|
| Riley         | Indicated        | 2.0mt        | 57        | 61              | 3.7                  | 2.6                                | 0.03        | 0.08        | 2.8      | 7.7        |
| Livingstone   | Indicated        | 2.4mt        | 57        | 61              | 5.4                  | 1.9                                | 0.07        | 0.05        | -        | 7.0        |
| <b>TOTAL=</b> | <b>Indicated</b> | <b>4.4mt</b> | <b>57</b> | <b>61</b>       | <b>4.6</b>           | <b>2.2</b>                         | <b>0.05</b> | <b>0.06</b> | <b>-</b> | <b>7.3</b> |

**Table 2 – Reserve Statement – DSO Projects**

| Project       | Reserve         | Tonnes       | Fe (%)    | Fe (%) Calcined | SiO <sub>2</sub> (%) | Al <sub>2</sub> O <sub>3</sub> (%) | P (%)       | S (%)       | Cr (%)   | LOI (%)    |
|---------------|-----------------|--------------|-----------|-----------------|----------------------|------------------------------------|-------------|-------------|----------|------------|
| Riley         | Probable        | 1.8mt        | 57        | 61              | 3.7                  | 2.6                                | 0.03        | 0.07        | 2.8      | 7.8        |
| Livingstone   | Probable        | 2.2mt        | 57        | 62              | 5.3                  | 1.9                                | 0.08        | 0.03        | -        | 7.1        |
| <b>TOTAL=</b> | <b>Probable</b> | <b>4.0mt</b> | <b>57</b> | <b>62</b>       | <b>4.6</b>           | <b>2.2</b>                         | <b>0.05</b> | <b>0.06</b> | <b>-</b> | <b>7.4</b> |

**Note:**

Refer to ASX announcement on 26 July 2012.

### 3. Mt Lindsay Tin-Tungsten Project

The Mt Lindsay Project is located in western Tasmania (refer to Figure 1) within the contact metamorphic aureole of the highly perspective Meredith Granite. The project sits between the world class Renison Bell Tin Mine (Metals X Ltd/Yunnan Tin Group > 200,000t of tin metal produced since 1960) and the Savage River Magnetite Mine (operating for > 45 years, currently producing ~2 Mtpa of iron pellets). Mt Lindsay has excellent access to existing infrastructure including hydro-power, water, sealed roads, rail and port facilities.

Since commencing exploration on the project in mid-2007, Venture has completed approximately 83,000m of diamond core drilling at Mt Lindsay and defined a JORC compliant Measured, Indicated and Inferred Resources are detailed in Table 3.

## 7. Review of Operations (continued)

**Table 3 - Resource & Reserve Tables**

### Tin-Tungsten Resource Statement – October 2012

| Lower Cut (Tin equiv) | Category     | Tonnes      | Tin Equiv. Grade | Tin Grade | Tungsten Grade (WO <sub>3</sub> ) | Mass Recovery of Magnetic Iron (Fe) Grade | Copper Grade | Contained Tin Metal (tonnes) | Contained Tin/Tungsten Metal (tonnes) |
|-----------------------|--------------|-------------|------------------|-----------|-----------------------------------|-------------------------------------------|--------------|------------------------------|---------------------------------------|
| 0.20%                 | Measured     | 8.1Mt       | 0.6%             | 0.2%      | 0.1%                              | 17%                                       | 0.1%         | 18,000                       | 29,000                                |
|                       | Indicated    | 17Mt        | 0.4%             | 0.2%      | 0.1%                              | 15%                                       | 0.1%         | 32,000                       | 43,000                                |
|                       | Inferred     | 20Mt        | 0.4%             | 0.2%      | 0.1%                              | 17%                                       | 0.1%         | 32,000                       | 41,000                                |
|                       | <b>TOTAL</b> | <b>45Mt</b> | <b>0.4%</b>      | 0.2%      | 0.1%                              | 17%                                       | 0.1%         | <b>81,000</b>                | <b>113,000</b>                        |
| 0.45%                 | Measured     | 4.3Mt       | 0.8%             | 0.3%      | 0.2%                              | 18%                                       | 0.1%         | 12,000                       | 22,000                                |
|                       | Indicated    | 5.2Mt       | 0.7%             | 0.3%      | 0.2%                              | 15%                                       | 0.1%         | 14,000                       | 22,000                                |
|                       | Inferred     | 3.9Mt       | 0.6%             | 0.3%      | 0.1%                              | 9%                                        | 0.1%         | 12,000                       | 17,000                                |
|                       | <b>TOTAL</b> | <b>13Mt</b> | <b>0.7%</b>      | 0.3%      | 0.2%                              | 14%                                       | 0.1%         | <b>38,000</b>                | <b>61,000</b>                         |

**Note:**

Refer to September 2012 Quarterly Report dated 17 October 2012.

### Tin-Tungsten Reserve Statement – November 2012

| Category     | Tonnes      | Tin Equiv. Grade | Tin Grade | Tungsten Grade (WO <sub>3</sub> ) | Mass Recovery of Magnetic Iron (Fe) Grade | Copper Grade | Contained Tin Metal (tonnes) | Contained Tin/Tungsten Metal (tonnes) |
|--------------|-------------|------------------|-----------|-----------------------------------|-------------------------------------------|--------------|------------------------------|---------------------------------------|
| Proved       | 6.4mt       | 0.7%             | 0.2%      | 0.2%                              | 18%                                       | 0.1%         | 14,000                       | 23,000                                |
| Probable     | 7.3mt       | 0.5%             | 0.2%      | 0.1%                              | 13%                                       | 0.1%         | 16,000                       | 23,000                                |
| <b>TOTAL</b> | <b>14mt</b> | <b>0.6%</b>      | 0.2%      | 0.1%                              | 15%                                       | 0.1%         | <b>30,000</b>                | <b>46,000</b>                         |

**Note:**

Refer ASX Announcement dated 7 November 2012.

## Bankable Feasibility Study

In 2012, the Company completed a Bankable Feasibility Study ("BFS") on the Mt Lindsay Project which concluded that the project was robust in terms of margin per tonne and internal rate of return. The study entertained a 1.75million tonne per annum operation, producing concentrates of tin, tungsten, copper and magnetite. The reserve statement included in the BFS is detailed in Table 3. A summary of the BFS outcomes is contained in Table 4.

**Table 4 - Summary of Outcomes of Mt Lindsay Bankable Feasibility Study - November 2012**

| Mt Lindsay Tin-Tungsten Project           | Bankable Feasibility Study Pre-tax |
|-------------------------------------------|------------------------------------|
| Gross project revenue                     | A\$1,435m                          |
| Net operating cashflow                    | A\$554m                            |
| Plant & infrastructure capex              | A\$198m                            |
| NPV <sub>8</sub>                          | A\$143m                            |
| Operating cost per ore tonne <sup>^</sup> | A\$59                              |
| Total project ore tonnes                  | 14.8m                              |
| Plant design throughput capacity          | 1.75mtpa                           |
| Project Life                              | 9 years                            |
| Payback period                            | 4 years                            |
| Return on Equity - (40% Equity/60% Debt)  | 33%                                |
| IRR                                       | 21%                                |

<sup>^</sup> Operating cash cost includes royalties and excludes capital development and plant capital costs.

## 7. Review of Operations (continued)

### Bankable Feasibility Study Assumptions

#### Processing Plant

A 1.75mtpa processing plant was designed by GR Engineering Services based on the completed pilot scale metallurgical program (ASX announcement of 31 August 2012). The plant also includes an APT circuit, designed to produce ammonium paratungstate (APT).

#### Metallurgical Recoveries and Metallurgical Testwork

Metallurgical recoveries are based on the completed BFS pilot scale metallurgical program (ASX announcement - 31 August 2012) conducted over 18 months during 2011 and 2012.

Pilot scale testwork was conducted as part of a co-ordinated metallurgical testing program to closely simulate the proposed treatment flows with all unit processes being tested in sequence. As a result, a robust process flowsheet was established that maximises recovery of all prime mine outputs while minimising contamination levels. This robustness enables variable proportions of magnetite, scheelite (tungsten ore) and cassiterite (tin ore) to be more effectively managed. Small parcels of final concentrates of tin and tungsten have also been produced for off-take discussions and end user testing.

The intensive metallurgical testing program utilised approximately 3 tonnes of sample from Main Skarn and No. 2 Skarn. Tests were conducted on individual skarns, and also as a blend of the two, and were coordinated by Venture's General Manager of Metallurgy, Mr Geoff Beros, through three major laboratories in Perth with specialist testing conducted in laboratories based in Adelaide, Burnie, Gold Coast and Guangzhou, China.

The results of the metallurgical tests were concluded in late August 2012 and have been compared to previous test results conducted during the preliminary evaluation phases. The results are detailed in Table 5 below.

**Table 5 - Summary of Mt Lindsay Metallurgical Test Results**

| <b>Mt Lindsay Studies</b>      | <b>Tin Recoveries</b> | <b>Tungsten* Recoveries</b> | <b>Magnetite Recoveries</b> |
|--------------------------------|-----------------------|-----------------------------|-----------------------------|
| BFS (Pilot Scale – Aug 2012)** | 72% (to con)          | 83% (to APT)                | 98% (to con)                |
| PFS (March 2011)               | 73% (to con)          | 84% (to APT)                | 95% (to con)                |
| Scoping Study (May 2010)       | 71% (to con)          | 80% (to con)                | 100% (to con)               |

**Notes:** Con = Concentrate APT=Ammonium Para Tungstate (intermediate saleable tungsten product)  
 \* = Tungsten Trioxide (WO<sub>3</sub>)  
 \*\* = equal blend of Main Skarn and No.2 Skarn representative mill feed material.

#### Mine Design

Rock Team undertook the open pit and underground mine design work. GHD, Earth Systems and Rock Team co-designed the Waste Dump.

The pit design has an overall slope angle of approximately 50° and consequently has a waste to ore strip ratio of 8 to 1.

The underground mine design was based on the top down longhole open stoping method.

#### Environmental & Permitting

Following completion of the BFS in November last year, the Company is continuing to finalise application documents to commence the process of obtaining the State and Commonwealth approvals necessary for the Project.

Independent environmental consultants, Pitt & Sherry, continue to assist Venture with all environmental and permitting aspects of the Mt Lindsay Project development. The Company continues to work on the preparation of the final DPEMP.

#### Hydrogeological Modelling

William C. Cromer Pty Ltd developed a Hydrogeological Model for the Mt Lindsay Project which was utilized for mine design, process design and tailings dam design for the study.

## 7. Review of Operations (continued)

### Infrastructure & Logistics

GHD designed the Tailings Dam for the BFS. Venture has worked with various consultants and government bodies to determine the accommodation, power supply and ore transport requirements and costs.

### Sales & Marketing

Penfold Limited, an international metals marketing company, has advised Venture on all metal sales and marketing aspects of the study.

### Commodity Pricing and Exchange Rate

Commodity prices over the life of the project and used in financial modelling of the Project were as follows:

| Commodity Prices & Exchange Rate used for BFS |                  |
|-----------------------------------------------|------------------|
| Tin                                           | US\$23,800/t     |
| Tungsten                                      | US\$392/mtu      |
| Magnetite (reference price Fe 62%)            | US\$125/t        |
| Copper                                        | US\$8,000/t      |
| Exchange Rate                                 | AUD/USD = \$0.90 |

mtu = metric tonne unit and is equivalent to 10kgs of WO<sub>3</sub> metal.

### Smelter Discounts

A discount of 6% was used for the tin concentrate and a discount of 7% was used for copper concentrate.

### Financial Modelling

Northwind Resources assisted in the development of the Financial Model used in the study.

### Mt Lindsay Exploration

Mt Lindsay has extensive exploration potential both through the extension of existing mineralized systems as well as the plethora of targets surrounding the current resources. Skarn targets drill tested to date represent approximately 10% of the total skarns identified by the Company, with an additional 37 strike kilometres (see Figure 3) of interpreted magnetite skarns still to be tested within the project area.

Exploration activity will continue focus on assessing the potential for several targets in the immediate vicinity of the Mt Lindsay resource base.

During the period Venture identified a new high grade tin prospect named "North Cashbolt". The prospect is located only a few kilometres north of Mt Lindsay and is defined by a 500m by 100m greisen zone evident through both mapping and anomalous soils. The southern portion of the greisen zone contains historic workings including pits, shafts and trenches as well as outcropping, northwest striking quartz-tourmaline veins. Rock chipping over this area has returned several assays ranging from 0.15% to 5.3% tin (Detailed results contained in March 2013 Quarterly Report).

Follow up work at North Cashbolt will include further geological mapping and shallow drilling designed to evaluate the potential for significant high grade tin mineralisation.

### Big Wilson

The Big Wilson Prospect was only discovered in the second half of 2012, but fast became the focus for exploration. The prospect is situated approximately 6 kilometres from both the Pieman Road and the Mt Lindsay Deposit. The prospect is located where the Devonian Meredith Granite, a highly fractionated tin granite, has intruded early Palaeozoic limestone and pre-Cambrian ultramafic rocks (Figure 3). The alluvial gravels at Big Wilson were mined for tin in the late 1800s to early 1900s, as evidenced by extensive alluvial tailings.



## 7. Review of Operations (continued)

Venture's first drilling campaign at Big Wilson has now successfully identified high grade tin mineralisation in north striking skarn and greisen on the margin of the Meredith Granite, extending over 400m of strike. Intersections within Holes BW001 and BW003A (refer Table 6) have confirmed the presence of high grade northwest striking cassiterite vein zones within the greisen and associated high grade disseminated cassiterite mineralisation where the veins intersect the skarn.

**Table 6 - Big Wilson Prospect High Grade Intersections**

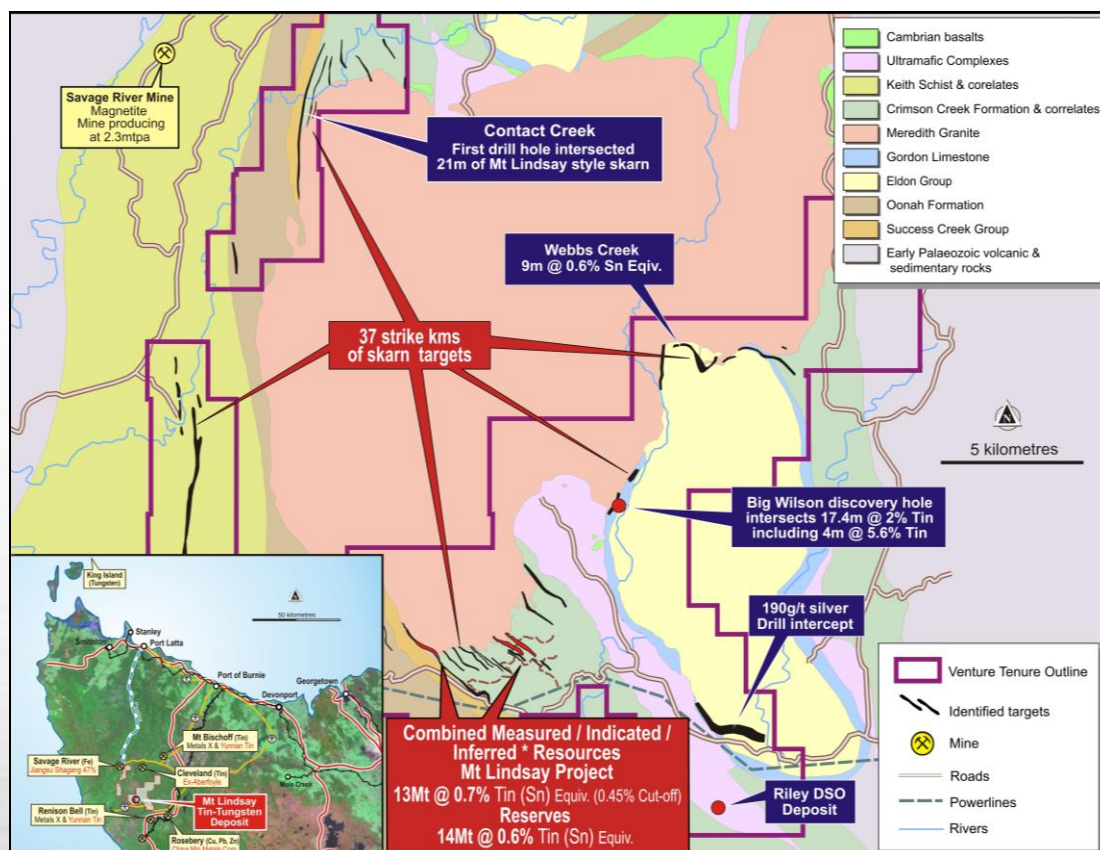
| Hole ID  | Interval (metres) | Tin (Sn) Equivalent Grade |
|----------|-------------------|---------------------------|
| BW001    | 35.4              | 1.1%                      |
| includes | 17.4              | 2.1%                      |
| includes | 4.0               | 5.8%                      |
| BW002    | 8                 | 0.5%                      |
| BW003A   | 42                | 0.5%                      |
| includes | 10                | 1.0%                      |
| and      | 4                 | 0.9%                      |
| BW008    | 21                | 0.5%                      |

**Note:**

Refer to the January 2013 Quarterly Report.

The mineralisation remains open along strike and down plunge within both the north striking skarn and northwest striking vein zones. Surface geochemistry suggests the presence of multiple cassiterite vein zones and future exploration drilling will be the focus on defining the cassiterite vein zones and their high grade intersection with the Big Wilson skarn.

**Figure 3: Mt Lindsay Project including Big Wilson location and other promising skarns**



## 7. Review of Operations (continued)

### Exploration

#### South East Asia

During the year the Company progressed its strategy of targeting south east Asia for exploration opportunities. Venture has identified an extensive belt of "skarn style" mineralization throughout the region specifically targeting strategic metals such as tin and tungsten as well as other base and precious metals.

The Company has established a low cost regional office in the region and will look to continue to build a cost effective portfolio of exploration projects over the coming year.

The Company is prioritizing the numerous regional targets identified by Venture over the past 12 months and has finalised applications over high priority areas, whilst significantly advancing tenure applications over other initial targets. Following security of tenure the Company will look to advance its priority targets.

#### Paulsens South Project, Western Australia (Venture Minerals - 100% reducing to 30%)

The Paulsens South Project (covering 68km<sup>2</sup>) flanks and covers a similar stratigraphic and structural setting to Northern Star Resources Ltd's high grade Paulsens Gold Mine, (currently producing ~80,000 oz gold per annum) in the Ashburton Mineral Field of Western Australia. Rumble Resources Limited ("Rumble") continues to be in a joint venture with the Company on the Paulsens South Project in which Rumble has the right to earn at least 70% of the project.

During the period, Rumble drilled 17 Reverse Circulation ("RC") drill holes for 1,688m as part of the first pass drill program testing targets on both the Melrose and Highway Fault Zones. Though intersecting significant widths of quartz veining at the Highway Fault Zone and sulphide mineralisation along the Melrose Fault Zone no significant gold mineralisation was intersected.

This first pass drill program indicates that ground geophysics can identify zones of sulphide mineralisation in which gold mineralisation is hosted in this region. The program only tested a small area of these major structural features with only 400m of the 8km Highway Fault Zone tested.

This drill program satisfies Rumble's initial joint venture commitment as part of the requirements to earn at least 70% of the project.

Rumble intends to undertake further geophysical targeting in 2013 to identify high priority zones.

#### Harris Bluff Project, South Australia (Venture Minerals 51% earning up to 90%, excluding uranium rights)

The Harris Bluff Project (167km<sup>2</sup>) is situated within the south-eastern part of the Gawler Craton, an area considered prospective for Pb-Zn and epithermal Au-Ag mineralisation. Very sparse historic drilling in the immediate vicinity of the Project returned up to 180 ppb Au and 6 g/t Ag.

Mega Hindmarsh Pty Ltd ("Mega") a subsidiary of Toronto listed Mega Uranium Limited is in a joint venture with the Company on the project (EL4788) and has been targeting unconformity-associated uranium mineralisation at the base of the Mesoproterozoic Corunna Conglomerate. Since the beginning of the joint venture in 2008 Mega has applied several exploration techniques including detailed spectral analysis of historic drill core to determine alteration signatures, airborne hyperspectral survey using the HyVista system.

During the period Mega completed a partial leach soil sampling program on 400m and 200m centres for identifying uranium and precious metals. Analyses of the soil sampling results provided encouraging zones of multi-element anomalies of economic interest including uranium, silver, gold and REE. The results were significant enough to justify further infill sampling to pin point drill site locations. Each of the anomalous zones identified represent a new opportunity for the discovery of uranium or silver mineralisation.

Mega has now earned 51% interest in the uranium rights of the project.

#### Maitland Channel Uranium Project, Western Australia

During the period, the Company relinquished its interests in this project area.

## **7. Review of Operations (continued)**

### **Community Support**

The Company has continued its Community Initiatives Plan which works closely with the West Coast Council and Tullah Progress Association in providing support and sponsoring activities of local community groups to develop and enrich the cultural, sporting, educational and environmental experiences of the Tasmanian communities in which the Company operates.

We are proud to support local initiatives and have particularly supported the following programs during the period:

- Completed construction of a new enclosure at the Tasmanian Devil Sanctuary managed by Devils @ Cradle at Cradle Mountain,
- The Tullah Theatre Group,
- The Tullah Challenge, and
- Various Tullah sporting groups.

The Company become a major business sponsor of the Burnie Dockers Football Club, and particularly the junior leagues of the Burnie Dockers, with a 3 year sponsorship agreement that commenced this year.

## **8. Matters Subsequent to the End of the Financial Year**

The following matters have arisen following the end of the financial year:

- On 2 July 2013 the mining contract for the Riley DSO Project was signed with the mining contractor. The Company progressed readiness for mining confirming the order of capital items including crusher and screen feeder, high rate thickener and log washer, with a combined expenditure commitment of A\$750,000.
- On 5 August 2013 the Company received approval conditions from the Federal Environment Minister for the development of the Riley Direct Shipping Ore hematite mine.
- On 24 September 2013 the Company received notification that the Resource Management and Planning Appeal Tribunal dismissed an appeal against development approval for the Riley DSO Project.

## **9. Likely Developments and Expected Results of Operations**

The Company will continue all efforts to bring the Riley DSO iron ore project into production. Discussions will continue with respective off-take parties to place the project in production readiness.

On the proposed commencement of production operations at the Riley DSO Project, the Company will commence the approval process to obtain necessary environmental and development approvals to commence the Livingstone DSO Project. The Company continues to review the economic conditions to enable the development of the Mt Lindsay Tin-Tungsten project.

The Company will continue its mineral exploration activity at and around its exploration projects with the object of identifying commercial resources. The Company will continue to investigate acquiring prospective exploration areas in South East Asia.

Further information on likely developments in the operations of the group and the expected results of operations have not been included in the Annual Report because the directors believe it would be likely to result in unreasonable prejudice to the group.

**10. Information on Directors and Company Secretary**

|                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                            |           |                                         |           |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------|-----------------------------------------|-----------|
| <b>Mr Mel Ashton</b>                    | <b>Independent Non-Executive Chairman</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                            |           |                                         |           |
| Qualifications                          | B.Com, FCA, FAICD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                            |           |                                         |           |
| Experience                              | Mr Ashton holds a Bachelor of Commerce degree from the University of Western Australia, is a fellow of the Institute of Chartered Accountants and a fellow of the Australian Institute of Company Directors. Mr Ashton also currently holds a number of board appointments, including as National Director of the Institute of Chartered Accountants, Director of The Hawaiian Group of Companies, Chairman of Cullen Wines (Australia) Pty Ltd and Director of Renaissance Minerals Ltd. He is also currently the Chairman for Empired Ltd and Gryphon Minerals Limited.                                   |                            |           |                                         |           |
| Interest in Securities                  | <table> <tr> <td>Fully Paid Ordinary Shares</td><td>1,500,000</td></tr> <tr> <td>45 cent Options expiring 15 August 2014</td><td>750,000</td></tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Fully Paid Ordinary Shares | 1,500,000 | 45 cent Options expiring 15 August 2014 | 750,000   |
| Fully Paid Ordinary Shares              | 1,500,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                            |           |                                         |           |
| 45 cent Options expiring 15 August 2014 | 750,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                            |           |                                         |           |
| Other Directorships                     | <p>Gryphon Minerals Limited (since 18 May 2004)</p> <p>Empired Ltd (since 21 December 2005)</p> <p>Renaissance Minerals Limited (since 25 March 2010)</p> <p>Resource Development Group Limited (since 9 February 2011)</p> <p>Barra Resources Limited (since 13 January 2011 to 1 March 2013)</p>                                                                                                                                                                                                                                                                                                          |                            |           |                                         |           |
| <b>Mr Hamish Halliday</b>               | <b>Managing Director</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                            |           |                                         |           |
| Qualifications                          | BSc (Geology), MAusIMM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                            |           |                                         |           |
| Experience                              | Mr Halliday has over 15 years of both corporate & technical experience within the mining industry. Mr Halliday co-founded Venture Minerals and was instrumental in the acquisition of its tenement portfolio including the Mt Lindsay Tin-Tungsten Project. Prior to Venture Minerals, Mr Halliday founded Adamus Resources Limited, a company he ran as CEO for 6 years growing the company from a A\$3 million float to a multi-million ounce emerging gold producer. Mr Halliday also co-founded Gryphon Minerals a very successful junior explorer defining a significant gold resource in West Africa. |                            |           |                                         |           |
| Interest in Securities                  | <table> <tr> <td>Fully Paid Ordinary Shares</td><td>6,425,000</td></tr> <tr> <td>45 cent Options expiring 15 August 2014</td><td>3,000,000</td></tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                               | Fully Paid Ordinary Shares | 6,425,000 | 45 cent Options expiring 15 August 2014 | 3,000,000 |
| Fully Paid Ordinary Shares              | 6,425,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                            |           |                                         |           |
| 45 cent Options expiring 15 August 2014 | 3,000,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                            |           |                                         |           |
| Other Directorships                     | AVZ Minerals Limited (22 May 2009 to 30 November 2012)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                            |           |                                         |           |
| <b>Mr Andrew Radonjic</b>               | <b>Technical Director</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                            |           |                                         |           |
| Qualifications                          | BAppSc (Mining Geology), MSc (Mineral Economics), MAusIMM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                            |           |                                         |           |
| Experience                              | Mr Radonjic is a geologist and mineral economist with over 25 years of experience in mining and exploration, with a specific focus on gold and nickel in the Eastern Goldfields of Western Australia. Mr Radonjic began his career at the Agnew Nickel Mine before spending over 15 years in the Paddington, Mount Pleasant and Lady Bountiful Extended operations north of Kalgoorlie. He has fulfilled a variety of senior roles which gave rise to three gold discoveries, totalling in excess of 3 million ounces in resources and the development of over 1 million ounces.                            |                            |           |                                         |           |
| Interest in Securities                  | <table> <tr> <td>Fully Paid Ordinary Shares</td><td>2,666,665</td></tr> <tr> <td>45 cent Options expiring 15 August 2014</td><td>1,500,000</td></tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                               | Fully Paid Ordinary Shares | 2,666,665 | 45 cent Options expiring 15 August 2014 | 1,500,000 |
| Fully Paid Ordinary Shares              | 2,666,665                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                            |           |                                         |           |
| 45 cent Options expiring 15 August 2014 | 1,500,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                            |           |                                         |           |
| Other Directorships                     | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                            |           |                                         |           |



**10. Information on Directors and Company Secretary (continued)**

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |           |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| <b>Mr Bruce McFadzean</b> | <b>Independent Non-Executive Director</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |           |
| Qualifications            | Dip. Mining                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |           |
| Experience                | <p>Mr McFadzean has 30 years of senior management, mining and processing experience which included significant stints at BHP Billiton and Rio Tinto, the “start up” of 5 new mining operations, and covers a broad range of commodities including Iron Ore, Diamonds, Gold and Nickel.</p> <p>Mr McFadzean is currently the Chief Executive Officer of Mawson West Ltd a Company listed on the TSX. Most recently Mr McFadzean held the role of Managing Director of Catalpa Resources Limited and Evolution Mining Limited following the merger with Conquest Mining Limited. Prior to that role he was General Manager Operations and then Operations Director with Territory Resources where he was instrumental in the start up of the 1.5 Mtpa Francis Creek Iron Ore operations in the Northern Territory.</p>                                                                                                                                                                                                                        |           |
| Interest in Securities    | 45 cent Options expiring 15 August 2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 750,000   |
| Other Directorships       | Evolution Mining Limited (formerly Catalpa Resources Limited) (9 June 2008 to 25 January 2012)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |           |
| <b>Mr John Jetter</b>     | <b>Independent Non-Executive Director</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |           |
| Qualifications            | B.Law, B.Econ, INSEAD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |           |
| Experience                | <p>Mr Jetter has extensive international finance and M&amp;A experience being the former Managing Director, CEO and head of investment banking of JPMorgan in Germany and Austria, and a member of the European Advisory Council, JPMorgan London. He has held various senior positions with JPMorgan during which time he focused his attention on major corporate clients and advised on some of Europe’s largest corporate transactions.</p> <p>Mr Jetter currently holds a number of other board positions including Member of the Board of Otto Energy Limited, Chairman of Katherine Jetter Limited (Delaware) and Member of the Advisory Board of Rosemont Realty Corporation (Santa Fe).</p> <p>Mr Jetter previously held positions as Chief Executive Officer of JPMorgan for Germany, Austria and Switzerland, Member of the Board of Conergy AG, Chairman of the Board of Rodenstock GMBH (Germany), Deputy Chairman of the Board of European Business School, and Chairman of the Finance Faculty Oestrich-Winkel, Germany.</p> |           |
| Interest in Securities    | Fully Paid Ordinary Shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2,759,000 |
|                           | 45 cent Options expiring 15 August 2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 750,000   |
|                           | 45 cent Options expiring 18 months after vesting date. Vesting date being successful financing for the Mt Lindsay Project.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 1,000,000 |
| Other Directorships       | Otto Energy Limited (since 12 December 2007)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |           |

**Company Secretaries**

**Brett Dunnachie - BCom, CA.**

Appointed - 18 December 2009

Mr Dunnachie is a Chartered Accountant with over 10 years experience in corporate, audit and company secretarial matters. Previously Mr Dunnachie was an audit manager at a major chartered accounting practice and is also experienced in IPO management, company secretarial services, financial accounting/reporting and ASX/ASIC compliance management. Mr Dunnachie is also currently Company Secretary for Renaissance Minerals Limited and Alicanto Minerals Limited.



## 10. Information on Directors and Company Secretary (continued)

Jon Grygorcewicz - BCom, CA.

Appointed Chief Financial Officer - 14 May 2012

Appointed Company Secretary - 16 August 2012

Mr Grygorcewicz has approximately 30 years financial management experience, gained predominately with Australian ASX listed companies. Most recently he was CFO & Company Secretary with Focus Minerals Limited having played a key role in successfully transitioning that company from mineral explorer into a substantial Australian gold producer. Prior to that role he gained extensive experience with resource and engineering companies with operations in Australia and South East Asia.

## 11. Remuneration Report

The directors of Venture Minerals Limited are pleased to present your company's 2013 remuneration report which sets out remuneration information for the non-executive directors, executive directors and other key management personnel.

The following sections are included with this report:

- A. Directors and key management personnel disclosed in this report
- B. Remuneration governance
- C. Use of remuneration consultants
- D. Executive remuneration policy and framework
- E. Relationship between remuneration and Venture Minerals Limited's performance
- F. Non-Executive Director remuneration policy
- G. Voting and comments made at the company's 2012 Annual General Meeting
- H. Details of remuneration
- I. Details of share based payments and bonuses
- J. Service Agreements

### A. Directors and key management personnel disclosed in this report

#### Non-Executive Directors

|                |                        |
|----------------|------------------------|
| Mr M Ashton    | Non-Executive Chairman |
| Mr B McFadzean | Non-Executive Director |
| Mr J Jetter    | Non-Executive Director |

#### Executive Directors

|               |                    |
|---------------|--------------------|
| Mr H Halliday | Managing Director  |
| Mr A Radonjic | Technical Director |

#### Other key management personnel

|                   |                                                |                                                       |
|-------------------|------------------------------------------------|-------------------------------------------------------|
| Mr G Brock        | Chief Operating Officer                        | (Appointed 4 July 2011)                               |
| Mr J Grygorcewicz | Chief Financial Officer<br>& Company Secretary | (Appointed 14 May 2012)<br>(Appointed 16 August 2012) |

All of the key management personnel held their positions for the entire financial year and up to the date of this report.

### B. Remuneration governance

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

As the whole Board only consists of five (5) members, the Company does not have a remuneration committee and therefore the full board acts as the remuneration committee. The Board has established a broad remuneration policy which is consistent with the group's business objectives and designed to attract and retain high calibre individuals, align key management personnel remuneration with the creation of shareholder value and motivate executives to achieve challenging performance levels.

The business and operational environment of the group is dynamic and ever changing and so too is the remuneration policies. As such the broader remuneration policies, whilst currently under specific and detailed review, are by nature, always under consideration by the Board.

Further information relating to the role of the Board and its responsibilities in relation to remuneration policies can be found within the Corporate Governance Report included within this Annual Report.

## 11. Remuneration Report (continued)

### C. Use of remuneration consultants

The company has not engaged or contracted remuneration consultants during the financial year.

### D. Executive remuneration policy and framework

#### Remuneration Policy

The remuneration policy of Venture Minerals Limited has been designed to align executives' objectives with shareholder and business objectives by providing both fixed and discretionary remuneration components which are assessed on an annual basis in line with market rates. By providing components of remuneration that are indirectly linked to share price appreciation (in the form of options), executive, business and shareholder objectives are indirectly aligned. The board of Venture Minerals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the company, as well as create goal congruence between directors and shareholders.

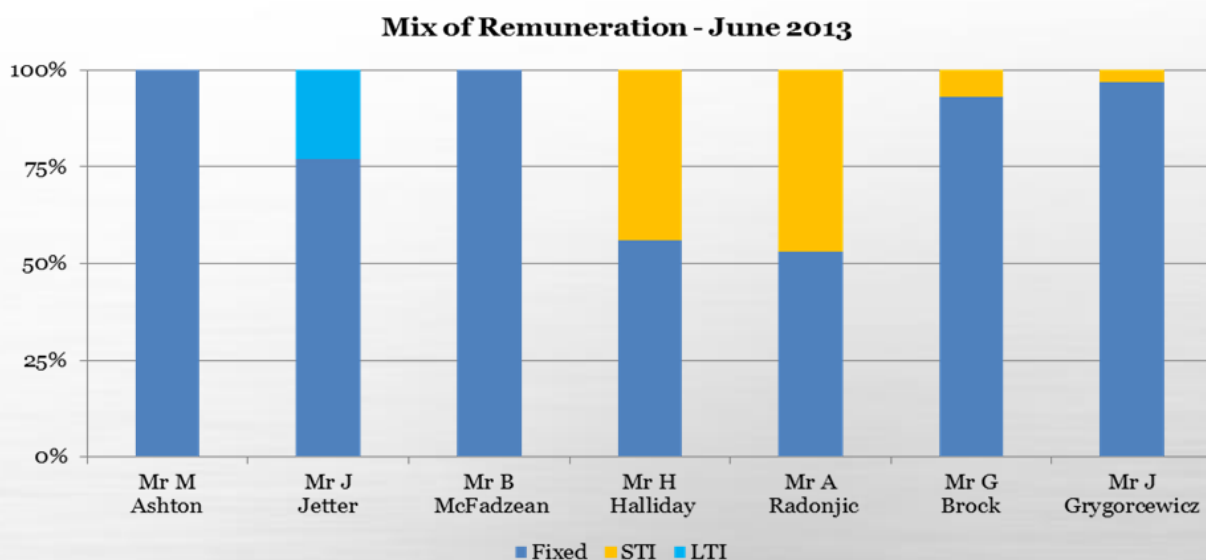
In determining competitive remuneration rates, the Board review local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent data is sourced to ensure that the group's remuneration levels fall within the 50<sup>th</sup> to 75<sup>th</sup> percentile of companies in a similar industry group and with a similar market capitalisation. These ongoing reviews are performed to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

During the current year, the Board has continued to freeze the Executive Directors and other key executive's base salaries. This salary freeze has been in place since March 2010 and is part of broader cost reducing measures to ensure that the company conserves cash reserves in order to maintain exploration and feasibility activities whilst initially working through volatile market conditions during the previous financial period. The freeze has continued during the current year whilst the company is working through the environmental approvals process at its Riley DSO Project.

The Board also ensures that the mix of executive compensation between fixed, variable, long-term, short-term and cash versus equity is appropriate. The group endeavours to reduce cash expenditure by providing a greater proportion of compensation in the form of equity instruments. This allows cash-flows to be directed towards exploration programs with a view to improving the quality of our projects.

#### Executive remuneration mix

The following table sets out the mix of remuneration for all key management personnel between fixed, short-term incentives and long-term incentives for the 2013 financial year.



#### Fixed Remuneration

All executives receive a base cash salary which is based on factors such as length of service and experience as well as other fringe benefits. All executives also receive a superannuation guarantee contribution required by the government, which is currently nine percent and do not receive any other retirement benefits.

## **11. Remuneration Report (continued)**

### **D. Executive remuneration policy and framework (continued)**

#### **Short-term Incentives (STI)**

Under the group's current remuneration policy, executives can from time to time receive short-term incentives in the form of cash bonuses. These bonuses are based on relevant qualitative objectives such as completion of critical feasibility study milestones, definition and growth of existing resources and targets and on-going Executive loyalty to the Company. The Board believes that the criteria of eligibility for short-term incentives appropriately aligns shareholder wealth and executive remuneration as the completion of key operation milestones have the potential to increase share price growth.

During the current period the Executive Directors achieved a significant short term incentive milestone that formed part of their overall remuneration package set during 2010. The short term incentive was payable on the achievement of a positive bankable feasibility study at the company's flagship Mt Lindsay Tin - Tungsten Project and the milestone was achieved on 7 November 2012 with the release of the BFS report.

#### **Long-term Incentives (LTI)**

Executives are encouraged by the Board to hold shares in the company and it is therefore the objective of the group's option scheme to provide an incentive for participants to partake in the future growth of the group and, upon becoming shareholders in the Company, to participate in the group's profits and dividends that may be realised in future years.

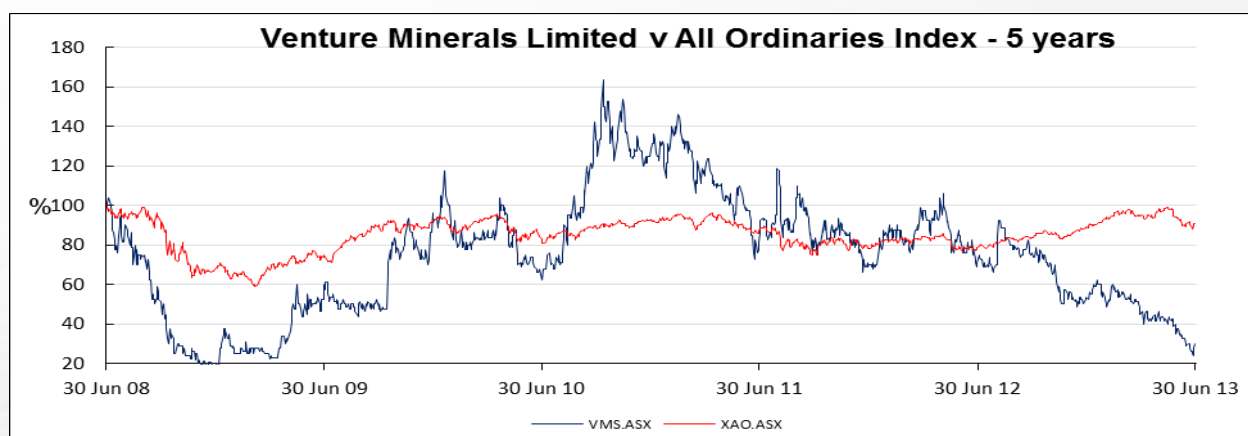
The Board considers that this equity performance linked remuneration structure is effective in aligning the long-term interests of group executives and shareholders as there exists a direct correlation between shareholder wealth and executive remuneration.

### **E. Relationship between remuneration and Venture Minerals Limited's performance**

#### *Company Performance, Shareholder Wealth & Executive Remuneration*

The remuneration policy has been tailored to increase goal congruence between shareholders and executives. This has been achieved by the payment of short-term incentives and the issue of long-term incentive options. This structure rewards executives for both short-term and long-term shareholder wealth development.

The chart below shows the volatility in the company share price over the previous five years due to the impacts of the global financial crisis in 2007 and 2008 which was then followed by a period of positive shareholder returns until 2012 as the Company achieved significant project milestones. These milestones included completion of the BFS and also the progression of the companies Riley DSO Project. Since 2012 the company's share price has been in a downward trend due to the ongoing global instability and the reduction in commodity prices which has seen a broader reduction in the share prices of local and global miners.



Values derived on a base of 100

|                          | 2009          | 2010          | 2011          | 2012          | 2013          |
|--------------------------|---------------|---------------|---------------|---------------|---------------|
| Revenue                  | \$106,971     | \$305,974     | \$1,070,673   | \$751,428     | \$679,954     |
| Net Loss                 | (\$3,384,063) | (\$2,298,899) | (\$4,131,656) | (\$3,955,394) | (\$3,174,141) |
| Share Price – Close 30/6 | \$0.24        | \$0.25        | \$0.34        | \$0.28        | \$0.12        |
| Dividends                | Nil           | Nil           | Nil           | Nil           | Nil           |

## 11. Remuneration Report (continued)

### E. Relationship between remuneration and Venture Minerals Limited's performance (continued)

The company continues to ensure there is goal congruence between shareholder wealth development and the issue of long term incentives such as the issue of options to executives. During the current financial year there were no options issued to executive directors.

### F. Non-executive director remuneration policy

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. Fees for non-executive directors are not linked to the performance of the group.

In determining competitive remuneration rates, the Board review local and international trends among comparative companies and industry generally.

Typically Venture will compare non-executive remuneration to companies with similar market capitalisations in the exploration and resource development business group. These ongoing reviews are performed to confirm that non-executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

During the current year, the Board has continued to freeze the Non-Executive Director base remuneration. This remuneration freeze has been in place since March 2010 and is part of broader cost reducing measures to ensure that the company could conserve its cash reserves whilst maintaining its exploration and feasibility activities during volatile market conditions.

Further to ongoing reviews, the maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. In addition to director fees, only Mr John Jetter Non-Executive Director, was issued options in recognition for his ongoing efforts in relation to project financing. These options were approved by shareholders at the General Meeting held on 24 September 2012. There were no further options issued to non-executives in the current financial year. In the prior financial year options were issued to non-executives as they provide an indirect mechanism of aligning shareholder wealth and non-executive director remuneration.

### G. Voting and comments made at the company's 2012 Annual General Meeting

The Group received more than 97% of "Yes" votes on its remuneration report for the 2012 financial year. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

### H. Details of Remuneration

Details of the remuneration of the director's and key management personnel of the group of Venture Minerals Limited are set out in the following table. There have been no changes to the below named key management personnel since the end of the reporting period unless otherwise noted.

|                         | Short Term<br>Benefits   |            |                    | Post<br>Employment | Securities          | Total     |           |
|-------------------------|--------------------------|------------|--------------------|--------------------|---------------------|-----------|-----------|
|                         | Cash<br>Salary &<br>Fees | Incentives | Consulting<br>Fees | Other<br>Amounts   | Super-<br>annuation | Options ^ | \$        |
| 2013                    |                          |            |                    |                    |                     |           |           |
| Non-Executive Directors |                          |            |                    |                    |                     |           |           |
| Mr M Ashton             | 75,000                   | -          | 20,000             | 3,419              | -                   | -         | 98,419    |
| Mr J Jetter             | 50,000                   | -          | -                  | 3,419              | -                   | 15,850    | 69,269    |
| Mr B McFadzean          | 45,872                   | -          | -                  | 3,419              | 4,129               | -         | 53,420    |
| Executive Director      |                          |            |                    |                    |                     |           |           |
| Mr H Halliday           | 325,000                  | 282,663    | -                  | 3,419              | 29,250              | -         | 640,332   |
| Mr A Radonjic           | 265,000                  | 260,192    | -                  | 3,419              | 23,850              | -         | 552,461   |
| Group Executives        |                          |            |                    |                    |                     |           |           |
| M G Brock               | 336,087                  | 27,840     | -                  | -                  | 25,336              | -         | 389,263   |
| Mr J Grygorcewicz       | 291,015                  | 11,196     | -                  | -                  | 25,085              | -         | 327,296   |
| Total Remuneration      | 1,387,974                | 581,891    | 20,000             | 17,095             | 107,650             | 15,850    | 2,130,460 |



**11. Remuneration Report (continued)**

**H Details of Remuneration (continued)**

|                                 | Cash<br>Salary &<br>Fees<br>\$ | Short Term Benefits<br>Incentives<br>\$ | Consulting<br>Fees<br>\$ | Other<br>Amounts<br>\$ | Post<br>Employment<br>Super-<br>annuation<br>\$ | Securities<br>Options <sup>A</sup><br>\$ | Total<br>\$      |
|---------------------------------|--------------------------------|-----------------------------------------|--------------------------|------------------------|-------------------------------------------------|------------------------------------------|------------------|
| <b>2012</b>                     |                                |                                         |                          |                        |                                                 |                                          |                  |
| <i>Non-Executive Directors</i>  |                                |                                         |                          |                        |                                                 |                                          |                  |
| Mr M Ashton                     | 75,000                         | -                                       | -                        | 3,557                  | -                                               | 73,280                                   | <b>151,837</b>   |
| Mr J Jetter                     | 50,000                         | -                                       | -                        | 3,557                  | -                                               | 73,280                                   | <b>126,837</b>   |
| Mr B McFadzean                  | 45,871                         | -                                       | -                        | 3,557                  | 4,129                                           | 73,280                                   | <b>126,837</b>   |
| <i>Executive Director</i>       |                                |                                         |                          |                        |                                                 |                                          |                  |
| Mr H Halliday                   | 325,000                        | -                                       | -                        | 3,557                  | 29,250                                          | 293,120                                  | <b>650,927</b>   |
| Mr A Radonjic                   | 265,000                        | -                                       | -                        | 6,335                  | 23,850                                          | 146,560                                  | <b>441,745</b>   |
| <i>Key management personnel</i> |                                |                                         |                          |                        |                                                 |                                          |                  |
| M G Brock                       | 345,000                        | -                                       | -                        | -                      | 31,050                                          | 73,280                                   | <b>449,330</b>   |
| Mr J Grygorcewicz <sup>B</sup>  | 31,231                         | -                                       | -                        | -                      | 2,811                                           | -                                        | <b>34,042</b>    |
| <b>Total Remuneration</b>       | <b>1,137,102</b>               | <b>-</b>                                | <b>-</b>                 | <b>20,563</b>          | <b>91,090</b>                                   | <b>732,800</b>                           | <b>1,981,555</b> |

No retirement benefits or equity securities were issued to any director or other key management personnel during the current or previous financial year.

A: The fair value of the options is calculated at the date of grant using a Black-Scholes model

B: Mr J Grygorcewicz was appointed on 14 May 2012

**I Details of Share Based Payments and Bonuses**

The terms and conditions of each grant of options affecting remuneration in the current or future reporting periods are as follows:

| Grant<br>Date | Expiry<br>Date | Exercise<br>Price | Fair Value<br>Per Option | Price of<br>Shares on<br>Grant Date | Estimated<br>Volatility | Risk Free<br>Interest Rate | Dividend<br>Yield | %<br>Vested |
|---------------|----------------|-------------------|--------------------------|-------------------------------------|-------------------------|----------------------------|-------------------|-------------|
| 24 Sept 12    | 31 Dec 15      | 45.0 cents        | \$0.037                  | \$0.31                              | 70%                     | 2.61%                      | 0.00%             | 43%         |

Options granted under the plan carry no dividend or voting rights.

The Options expiring 18 months after vesting date. Vesting date being successful financing for the Mt Lindsay Project.

Details of options over ordinary shares in the company provided as remuneration to each director of Venture Minerals Limited and each of the key management personnel of the parent entity and the group are set out below. When exercisable, each option is convertible into one ordinary share. The table shows the percentages of the options granted that vested and forfeited during the year. Further information on the options is set out in the note 24 to the financial statements.

**11. Remuneration Report (continued)**

**I Details of Share Based Payments and Bonuses (continued)**

|                                | Granted<br>No. | Options Granted<br>as Part of<br>Remuneration<br>\$ | Total<br>Remuneration<br>Represented<br>by Options | Exercised<br>No. | Other<br>changes<br>No <sup>C</sup> . | Lapsed<br>No. |
|--------------------------------|----------------|-----------------------------------------------------|----------------------------------------------------|------------------|---------------------------------------|---------------|
| <b>30 June 2013</b>            |                |                                                     |                                                    |                  |                                       |               |
| Non-Executive Directors        |                |                                                     |                                                    |                  |                                       |               |
| Mr M Ashton                    | -              | -                                                   | -                                                  | -                | -                                     | (750,000)     |
| Mr B McFadzean                 | -              | -                                                   | -                                                  | -                | -                                     | (750,000)     |
| Mr J Jetter                    | 1,000,000      | 15,850                                              | 23%                                                | -                | -                                     | (1,000,000)   |
| Executive Directors            |                |                                                     |                                                    |                  |                                       |               |
| Mr H Halliday                  | -              | -                                                   | -                                                  | -                | -                                     | (2,250,000)   |
| Mr A Radonjic                  | -              | -                                                   | -                                                  | -                | -                                     | (1,750,000)   |
| Other key management personnel |                |                                                     |                                                    |                  |                                       |               |
| Mr G Brock                     | -              | -                                                   | -                                                  | -                | -                                     | -             |
| Mr J Grygorcewicz              | -              | -                                                   | -                                                  | -                | -                                     | -             |
| <b>30 June 2012</b>            |                |                                                     |                                                    |                  |                                       |               |
| Non-Executive Directors        |                |                                                     |                                                    |                  |                                       |               |
| Mr M Ashton                    | 750,000        | 73,280                                              | 48%                                                | -                | (750,000)                             | (750,000)     |
| Mr B McFadzean                 | 750,000        | 73,280                                              | 58%                                                | -                | (750,000)                             | (700,000)     |
| Mr J Jetter                    | 750,000        | 73,280                                              | 58%                                                | -                | -                                     | -             |
| Executive Directors            |                |                                                     |                                                    |                  |                                       |               |
| Mr H Halliday                  | 3,000,000      | 293,120                                             | 45%                                                | -                | (3,400,000)                           | (2,000,000)   |
| Mr A Radonjic                  | 1,500,000      | 146,560                                             | 33%                                                | -                | (1,500,000)                           | (2,000,000)   |
| Other key management personnel |                |                                                     |                                                    |                  |                                       |               |
| Mr G Brock <sup>A</sup>        | 750,000        | 73,280                                              | 16%                                                | -                | -                                     | -             |
| Mr J Grygorcewicz <sup>B</sup> | -              | -                                                   | -                                                  | -                | -                                     | -             |

A: Mr G Brock was appointed on the 4 July 2011

B: Mr J Grygorcewicz was appointed on 14 May 2012

C: As announced on 16 January 2012, management and director options were transferred to a US based investment fund and converted at a strike price of \$0.30. The options were due to expire on 20 February 2012.

During the financial year and up to the date of this report the Company issued options as part of remuneration to directors and executives as follows:

| Director/Executive  | Expiry Date            | % Vested in<br>Year | Exercise Price | Number of Options |
|---------------------|------------------------|---------------------|----------------|-------------------|
| <b>30 June 2013</b> |                        |                     |                |                   |
| Mr M Ashton         | -                      | -                   | -              | -                 |
| Mr H Halliday       | -                      | -                   | -              | -                 |
| Mr A Radonjic       | -                      | -                   | -              | -                 |
| Mr B McFadzean      | -                      | -                   | -              | -                 |
| Mr J Jetter         | 31 Dec 15 <sup>1</sup> | 43%                 | 45.0 cents     | 1,000,000         |
| Mr G Brock          | -                      | -                   | -              | -                 |
| Mr J Grygorcewicz   | -                      | -                   | -              | -                 |
| <b>30 June 2012</b> |                        |                     |                |                   |
| Mr M Ashton         | 15 Aug 14              | 100%                | 45.0 cents     | 750,000           |
| Mr H Halliday       | 15 Aug 14              | 100%                | 45.0 cents     | 3,000,000         |
| Mr A Radonjic       | 15 Aug 14              | 100%                | 45.0 cents     | 1,500,000         |
| Mr B McFadzean      | 15 Aug 14              | 100%                | 45.0 cents     | 750,000           |
| Mr J Jetter         | 15 Aug 14              | 100%                | 45.0 cents     | 750,000           |
| Mr G Brock          | 15 Aug 14              | 100%                | 45.0 cents     | 750,000           |
| Mr J Grygorcewicz   | -                      | -                   | -              | -                 |

<sup>1</sup> Options expiring 18 months after vesting date. Vesting date being successful financing for the Mt Lindsay Project.

## **11. Remuneration Report (continued)**

### **I Details of Share Based Payments and Bonuses (continued)**

The assessed fair value at grant date of options granted is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected share price volatility, the expected dividend yield and the risk-free rate for the term of the option.

### **J Service Agreements**

Remuneration and other key terms of employment for the Executives, Non-Executives and Other Group Executives of Venture Minerals are formalised in executive service agreements. Major provisions of the agreements relating to remuneration are set out below:

| <b>Name</b>                                  | <b>Term of agreement</b> | <b>Base salary including superannuation</b> | <b>Termination benefit</b>                |
|----------------------------------------------|--------------------------|---------------------------------------------|-------------------------------------------|
| Mr M Ashton<br>Non-Executive Chairman        | Unspecified              | \$75,000                                    | No termination benefits                   |
| Mr J Jetter<br>Non-Executive Director        | Unspecified              | \$50,000                                    | No termination benefits                   |
| Mr B McFadzean<br>Non-Executive Director     | Unspecified              | \$50,000                                    | No termination benefits                   |
| Mr H Halliday<br>Managing Director           | Unspecified              | \$354,250                                   | In accordance with statutory requirements |
| Mr A Radonjic<br>Technical Director          | Unspecified              | \$288,850                                   | Up to 9 month's salary                    |
| Mr G Brock<br>Chief Operating Officer        | Unspecified              | \$376,050                                   | 1 month notice                            |
| Mr J Grygorcewicz<br>Chief Financial Officer | Unspecified              | \$316,100                                   | 1 month notice                            |

## **12. Shares under Option**

Unissued ordinary shares of Venture Minerals Limited under option at the date of this report are as follows:

| <b>Date options granted</b> | <b>Expiry Date</b> | <b>Exercise Price</b> | <b>Number under Option</b> |
|-----------------------------|--------------------|-----------------------|----------------------------|
| 15 Mar 12                   | 15 Aug 14          | 45.0 cents            | 11,375,000                 |
| 15 Aug 12                   | 14 Aug 14          | 45.0 cents            | 2,000,000                  |
| 15 Aug 12                   | See "note A"       | 50.0 cents            | 2,000,000                  |
| 15 Aug 12                   | See "note B"       | 55.0 cents            | 2,500,000                  |
| 28 Sep 12                   | See "note C"       | 45.0 cents            | 1,000,000                  |

No option holder has any right under the options to participate in any other share issue of the company or any other entity.

Note A: The options shall expire 18 months after the vesting date being the date upon which the Company successfully obtains financing for the Mt Lindsay Tin-Tungsten Project.

Note B: The options shall expire 18 months after the vesting date being the date upon which the Company successfully completes its first shipment of DSO product.

Note C: The options shall expire 18 months after the vesting date being the date upon which the Company has made a decision to proceed with mining tin in Tasmania.

### **Shares issued on the exercise of options**

No ordinary shares of Venture Minerals Limited were issued during the year ended 30 June 2013 on the exercise of options granted.

### **13. Insurance of Officers**

During the financial year, Venture Minerals Limited paid a premium of \$17,095 (2012: \$21,342) to insure the directors and secretary of the company and its controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

### **14. Meetings of Directors**

The number of directors' meetings (including committees) held during the financial year that each director who held office during the financial year were eligible to attend and the number of meetings attended by each director are:

| Director       | Directors Meetings        |                   |
|----------------|---------------------------|-------------------|
|                | Number Eligible to Attend | Meetings Attended |
| Mr M Ashton    | 8                         | 8                 |
| Mr H Halliday  | 8                         | 7                 |
| Mr A Radonjic  | 8                         | 8                 |
| Mr B McFadzean | 8                         | 7                 |
| Mr J Jetter    | 8                         | 8                 |

The company does not have a formally constituted audit committee as the board considers that the company's size and type of operation do not warrant such a committee as all members of the board are involved in audit agenda items and discussions thereon.

### **15. Environmental Regulation**

The Group's activities are subject to the relevant environmental protection legislation (Commonwealth and State legislation) in relation to its exploration, development and future mining activities. The group believes that sound environmental practice is not only a management obligation but the responsibility of every employee and contractor.

The Company has been granted environmental approvals, with attaching conditions of approval, by the Tasmania Environmental Protection Authority (EPA) and by the Federal Minister for the Environment, Heritage and Water in relation to the Riley DSO Project. However, as detailed in the Review of Operations section of this Report, the Project development approval issued by the West Coast Council is currently under appeal with a decision expected shortly.

No fines were imposed and no prosecutions were instituted by a regulatory body during the period in relation to Environmental Regulations.

### **16. Proceedings on behalf of the Company**

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of these proceedings. The company was not a party to any such proceedings during the year.

### **17. Auditor's Independence Declaration & Non-Assurance Services**

The lead auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 25 of the directors' report. No fees were paid or payable to the auditors for non-assurance services performed during the year ended 30 June 2013 (2012: nil).



Signed in accordance with a resolution of the Board of Directors.



**Hamish Halliday**  
**Managing Director**

Perth, Western Australia, 30 September 2013

The information in this report that relates to Exploration Results, Exploration Targets or Mineral Resources is based on information compiled by Mr Andrew Radonjic, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Andrew Radonjic is a full-time employee of the company. Mr Andrew Radonjic has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Andrew Radonjic consents to the inclusion in the report of the matters based on his information in the form and context in which it appears

The information in this Report that relates to Ore Reserves is based on information compiled by Mr Denis Grubic, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Grubic is an independent consultant employed by Rock Team Pty Ltd. Mr Grubic qualifies as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Grubic consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

30 September 2013

Board of Directors  
Venture Minerals Limited  
181 Roberts Road  
SUBIACO WA 6008

Dear Sirs

**RE: VENTURE MINERALS LIMITED**

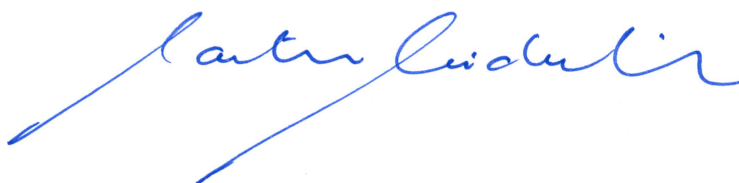
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Venture Minerals Limited.

As Audit Director for the audit of the financial statements of Venture Minerals Limited for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**



**Martin Michalik**  
**Director**

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These financial statements cover Venture Minerals as a consolidated entity consisting of Venture Minerals Limited and the entities it controlled from time to time during the financial year ('group' or 'consolidated entity'). The financial statements are presented in the Australian currency.

Venture Minerals Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Venture Minerals Limited  
Freemasons Building  
181 Roberts Road  
Subiaco WA 6008

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities on pages 3 to 13 in the directors' report, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 30 September 2013. The company has the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the company. All press releases, financial reports and other information are available on our website: [www.ventureminerals.com.au](http://www.ventureminerals.com.au).

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2013

|                                                             | Note | Consolidated       |                    |
|-------------------------------------------------------------|------|--------------------|--------------------|
|                                                             |      | 2013<br>\$         | 2012<br>\$         |
| Revenue from continuing operations                          | 3    | 679,954            | 751,428            |
| Administrative costs                                        | 4    | (1,035,888)        | (1,302,587)        |
| Consultancy expenses                                        |      | (852,875)          | (707,268)          |
| Employee benefits expense                                   |      | (1,976,313)        | (1,176,540)        |
| Share based payment expenses                                | 16   | (275,613)          | (1,111,413)        |
| Occupancy expenses                                          |      | (261,435)          | (266,927)          |
| Compliance and regulatory expenses                          |      | (121,302)          | (78,267)           |
| Insurance expenses                                          |      | (100,352)          | (98,732)           |
| Depreciation expense                                        | 4    | (39,369)           | (46,847)           |
| Exploration written off                                     | 11   | (903,147)          | (785,499)          |
| <b>Loss before income tax</b>                               |      | <b>(4,886,340)</b> | <b>(4,822,652)</b> |
| Income tax (expense)/benefit                                | 7    | 1,712,199          | 867,258            |
| <b>Loss attributable to owners</b>                          |      | <b>(3,174,141)</b> | <b>(3,955,394)</b> |
| Other comprehensive income:                                 |      |                    |                    |
| Items that may be reclassified to profit or loss            |      |                    |                    |
| - Exchange differences on translation of foreign operations | 16   | 26,921             | 7,476              |
| Items that will not be classified to profit or loss         |      | -                  | -                  |
| <b>Total comprehensive loss attributable to owners</b>      |      | <b>(3,147,220)</b> | <b>(3,947,918)</b> |
| Basic loss per share (cents per share)                      | 18   | (1.1)              | (1.7)              |
| Diluted loss per share (cents per share)                    | 18   | N/A                | N/A                |

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 30 June 2013

|                                        | Note | Consolidated<br>2013<br>\$ | 2012<br>\$        |
|----------------------------------------|------|----------------------------|-------------------|
| <b>Current Assets</b>                  |      |                            |                   |
| Cash and cash equivalents              | 8    | 13,543,340                 | 10,096,152        |
| Trade and other receivables            | 9    | 164,520                    | 654,532           |
| <b>Total Current Assets</b>            |      | <b>13,707,860</b>          | <b>10,750,684</b> |
| <b>Non-Current Assets</b>              |      |                            |                   |
| Trade and other receivables            | 9    | 1,007,913                  | 373,800           |
| Property, plant and equipment          | 10   | 464,202                    | 380,628           |
| Exploration and evaluation expenditure | 11   | 43,370,719                 | 34,609,403        |
| <b>Total Non-Current Assets</b>        |      | <b>44,842,834</b>          | <b>35,363,831</b> |
| <b>Total Assets</b>                    |      | <b>58,550,694</b>          | <b>46,114,515</b> |
| <b>Current Liabilities</b>             |      |                            |                   |
| Trade and other payables               | 12   | 529,399                    | 1,506,744         |
| Financial liabilities                  |      | 20,860                     | -                 |
| Provisions                             | 13   | 377,612                    | 289,666           |
| <b>Total Current Liabilities</b>       |      | <b>927,871</b>             | <b>1,796,410</b>  |
| <b>Non-Current Liabilities</b>         |      |                            |                   |
| Financial liabilities                  |      | 57,940                     | -                 |
| Provisions                             | 13   | 30,795                     | 16,526            |
| <b>Total Non-Current Liabilities</b>   |      | <b>88,735</b>              | <b>16,526</b>     |
| <b>Total Liabilities</b>               |      | <b>1,016,606</b>           | <b>1,812,936</b>  |
| <b>Net Assets</b>                      |      | <b>57,534,088</b>          | <b>44,301,579</b> |
| <b>Equity</b>                          |      |                            |                   |
| Contributed equity                     | 14   | 72,383,737                 | 56,279,621        |
| Reserves                               | 16   | 1,421,423                  | 4,833,456         |
| Accumulated losses                     |      | (16,271,072)               | (16,811,498)      |
| <b>Total Equity</b>                    |      | <b>57,534,088</b>          | <b>44,301,579</b> |

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity

### For the Year Ended 30 June 2013

| Consolidated                                                         | Contributed<br>Equity | Accumulated<br>Losses | Foreign<br>Currency<br>Translation<br>Reserve | Option<br>Reserve | Total             |
|----------------------------------------------------------------------|-----------------------|-----------------------|-----------------------------------------------|-------------------|-------------------|
|                                                                      | \$                    | \$                    | \$                                            | \$                | \$                |
| Balance at 1 July 2011                                               | 52,366,258            | (12,856,104)          | -                                             | 4,378,457         | 43,888,611        |
| Total comprehensive income for the year                              | -                     | (3,955,394)           | 7,476                                         | -                 | (3,947,918)       |
| Transactions with owners in their capacity as owners:                |                       |                       |                                               |                   |                   |
| Contributions of equity (net of transaction costs)                   | 3,249,473             | -                     | -                                             | -                 | 3,249,473         |
| Equity settled share based payment transactions                      | 663,890               | -                     | -                                             | 447,523           | 1,111,413         |
| <b>Balance at 30 June 2012</b>                                       | <b>56,279,621</b>     | <b>(16,811,498)</b>   | <b>7,476</b>                                  | <b>4,825,980</b>  | <b>44,301,579</b> |
| Balance at 1 July 2012                                               | 56,279,621            | (16,811,498)          | 7,476                                         | 4,825,980         | 44,301,579        |
| Total comprehensive income for the year                              | -                     | (3,174,141)           | 26,921                                        | -                 | (3,147,220)       |
| Transactions with owners in their capacity as owners:                |                       |                       |                                               |                   |                   |
| Contributions of equity (net of transaction costs)                   | 16,104,116            | -                     | -                                             | -                 | 16,104,116        |
| Equity settled share based payment transactions                      | -                     | -                     | -                                             | 275,613           | 275,613           |
| Expired equity settled share based payments – transfer within equity | -                     | 3,714,567             | -                                             | (3,714,567)       | -                 |
| <b>Balance at 30 June 2013</b>                                       | <b>72,383,737</b>     | <b>(16,271,072)</b>   | <b>34,397</b>                                 | <b>1,387,026</b>  | <b>57,534,088</b> |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## For the Year Ended 30 June 2013

|                                                             | Note | Consolidated<br>2013<br>\$ | 2012<br>\$          |
|-------------------------------------------------------------|------|----------------------------|---------------------|
| <b>Cash Flows from Operating Activities</b>                 |      |                            |                     |
| Payments to suppliers and employees                         |      | (3,842,639)                | (3,151,450)         |
| Interest received                                           |      | 667,117                    | 745,171             |
| Payments for exploration and evaluation                     |      | (10,509,018)               | (11,133,899)        |
| ATO research & development refund                           |      | 1,712,199                  | 867,258             |
| <b>Net cash (outflow) from operating activities</b>         | 19   | <b>(11,972,341)</b>        | <b>(12,672,920)</b> |
| <b>Cash Flows from Investing Activities</b>                 |      |                            |                     |
| Purchase of property, plant and equipment                   |      | (63,586)                   | (55,709)            |
| Payments for increase in security deposits                  |      | (621,000)                  | (203,000)           |
| <b>Net cash (outflow) from investing activities</b>         |      | <b>(684,586)</b>           | <b>(258,709)</b>    |
| <b>Cash Flows from Financing Activities</b>                 |      |                            |                     |
| Proceeds from issue of shares and other equity securities   |      | 17,003,989                 | 3,412,500           |
| Share issue transaction costs                               |      | (899,874)                  | (163,027)           |
| <b>Net cash inflow from financing activities</b>            |      | <b>16,104,115</b>          | <b>3,249,473</b>    |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |      | <b>3,447,188</b>           | <b>(9,682,156)</b>  |
| Cash and cash equivalents at the start of the year          |      | 10,096,152                 | 19,778,308          |
| <b>Cash and cash equivalents at the end of the year</b>     | 8    | <b>13,543,340</b>          | <b>10,096,152</b>   |

Amounts relating to payments to suppliers and employees as set out above are inclusive of goods and services tax. The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements cover Venture Minerals as a consolidated entity consisting of Venture Minerals Limited and its subsidiaries ('group' or consolidated entity').

### (a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

#### (i) Compliance with IFRS

The consolidated financial statements of Venture Minerals Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### (ii) New and amended standards adopted by the group

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and is not likely to affect future periods.

#### (iii) Early adoption of standards

The group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2012.

#### (iv) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment.

#### (v) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

### (b) Principles of Consolidation

#### (i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of the consolidated entity as at 30 June 2013 and the results of the parent and all subsidiaries for the year then ended.

Subsidiaries are all those entities (including special purpose entities) over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of comprehensive income, statement of changes in equity and balance sheet respectively.

A list of controlled entities is contained in Note 26 to the financial statements. All controlled entities have a 30 June financial year-end.

**1. Summary of Significant Accounting Policies (continued)**

**(b) Principles of Consolidation (continued)**

**(ii) Joint Venture Entities**

A joint venture entity is an entity in which Venture holds a long-term interest and which is jointly controlled by Venture and one or more other venturers. Decisions regarding the financial and operating policies essential to the activities, economic performance and financial position of that venture require the consent of each of the venturers that together jointly control the entity.

**(iii) Jointly controlled assets**

Venture has certain contractual arrangements with other participants to engage in joint activities where all significant matters of operating and financial policy are determined by the participants such that the operation itself has no significant independence to pursue its own commercial strategy. These contractual arrangements do not create a joint venture entity due to the fact that the policies are those of the participants, not a separate entity carrying on a trade or a business of its own. The financial statements of Venture include its share of the assets, liabilities and cash flows in such joint venture operations, measured in accordance with the terms of each arrangement, which is usually pro-rata to Venture's interest in the joint venture operations.

**(c) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors.

**(d) Foreign currency translation**

**(i) Functional and presentation currency**

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Venture Minerals Limited's functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale financial assets are included in the fair value reserve in equity.

**(ii) Group companies**

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- Income and expenses for the statement of comprehensive income are translated at average exchange rates, and
- All resulting exchange differences are recognised in other comprehensive income.



## 1. Summary of Significant Accounting Policies (continued)

### (e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for the business activities as follows:

#### (i) Interest income

Interest income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

### (f) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

The group is entitled to claim special tax deductions and rebates on qualifying expenditure under the Research and Development Tax Incentive Scheme in Australia. The group accounts for the rebate as an Income Tax Benefit/Income.

### (g) Leases

Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

## 1. Summary of Significant Accounting Policies (continued)

### (h) Impairment of assets

At each reporting date the group assesses whether there is any indication that an asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date or more frequently if events or changes in circumstances indicate that they might be impaired.

### (i) Cash and cash equivalents

For the purposes of presentation of the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

### (j) Trade and other receivables

Trade and other receivables are initially recognised initially at fair value and subsequently measured at amortised costs using the effective interest method, less provision for impairment. Trade and other receivables are generally due for settlement within 30 days. Collectability of trade receivables is reviewed on an ongoing basis. Amounts that are known to be uncollectible are written off by reducing the carrying amount directly.

### (k) Exploration and evaluation expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- Such costs are expected to be recouped through successful development and exploitation or from sale of the area: or
- Exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Accumulated costs in respect of areas of interest which are abandoned are written off in full against profit in the year in which the decision to abandon the area is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

### (l) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and comprehensive income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on assets is calculated using the diminishing value method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

|                                  |               |
|----------------------------------|---------------|
| Plant and equipment - office     | 40.0%         |
| Furniture and equipment - office | 20.0%         |
| Plant and equipment - field      | 24.0% - 40.0% |
| Motor vehicles                   | 22.5%         |
| Leasehold improvements           | 12.5%         |

## 1. Summary of Significant Accounting Policies (continued)

### (l) Property, plant and equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(h)). Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

### (m) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

### (n) Provisions

Provisions are recognised when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### (o) Employee benefits

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as other payables.

#### (ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

#### (iii) Share-based payments

The company provides benefits to employees (including directors) of the group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). There is currently an Employee Incentive Scheme (IOS), which provides benefits to directors and senior executives. The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

**1. Summary of Significant Accounting Policies (continued)**

**(o) Employee benefits (continued)**

**(iii) Share-based payments (continued)**

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of shares of Venture Minerals Limited ('market conditions'). The number of shares expected to vest is estimated based on the non-market vesting conditions and the probability the option will be exercised. The probability is currently assessed at 70%.

**(p) Contributed equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

**(q) Earnings per share**

**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

**(ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**(r) Goods and services tax ('GST')**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

**(s) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

- (i) AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards-Mandatory Effective Date of AASB 9 and Transition Disclosures (effective 1 January 2015). AASB 9 Financial Instruments addresses the classification and measurement of financial assets and is likely to affect the group's accounting for its financial assets. The standard is not applicable until 1 January 2015 but is available for early adoption. The group is yet to assess its full impact. The group has not yet decided when to adopt AASB 9.

## 1. Summary of Significant Accounting Policies (continued)

### (s) New accounting standards and interpretations (continued)

(ii) AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards (effective 1 January 2013). The Group does not expect to adopt the new standards before their operation date. They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

(iii) AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013).

The revised AASB 13 explains how to measure fair value and aims to enhance fair value disclosures. The group has yet to determine which, if any, of its current measurement techniques it will have to change as a result of the new guidance. The group does not intend to adopt the new standard before its operative date being 30 June 2014.

## 2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and judgements may differ from the related actual results and may have a significant effect on the carrying amount of assets and liabilities within the next financial year and on the amounts recognised in the financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### (i) Deferred exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at balance date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in note 1(k).

### (ii) Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 24.



|                                                                                                                                                                                                                                                                  |  | Consolidated |           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------|-----------|
|                                                                                                                                                                                                                                                                  |  | 2013         | 2012      |
|                                                                                                                                                                                                                                                                  |  | \$           | \$        |
| <b>3. Revenue</b>                                                                                                                                                                                                                                                |  |              |           |
| From continuing operations                                                                                                                                                                                                                                       |  |              |           |
| Interest received                                                                                                                                                                                                                                                |  | 679,954      | 751,428   |
| Total revenue from continuing operations                                                                                                                                                                                                                         |  | 679,954      | 751,428   |
| <b>4. Loss for the Year</b>                                                                                                                                                                                                                                      |  |              |           |
| (a) Depreciation of non-current assets                                                                                                                                                                                                                           |  |              |           |
| Plant and equipment - office                                                                                                                                                                                                                                     |  | 37,386       | 43,828    |
| Plant and equipment - field                                                                                                                                                                                                                                      |  | 1,983        | 3,019     |
| Total depreciation of non-current assets                                                                                                                                                                                                                         |  | 39,369       | 46,847    |
| (b) Finance costs                                                                                                                                                                                                                                                |  |              |           |
| Interest and finance charges paid or payable                                                                                                                                                                                                                     |  | 227,822      | 11,889    |
| Total finance charges paid or payable                                                                                                                                                                                                                            |  | 227,822      | 11,889    |
| (c) Foreign exchange loss                                                                                                                                                                                                                                        |  |              |           |
| Net foreign exchange loss                                                                                                                                                                                                                                        |  | 7,108        | 21,543    |
| Total foreign exchange loss                                                                                                                                                                                                                                      |  | 7,108        | 21,543    |
| <b>5. Auditor's Remuneration</b>                                                                                                                                                                                                                                 |  |              |           |
| Remuneration of the auditor of the group                                                                                                                                                                                                                         |  |              |           |
| Auditing or reviewing the financial statements                                                                                                                                                                                                                   |  | 28,571       | 27,074    |
| Total auditor remuneration                                                                                                                                                                                                                                       |  | 28,571       | 27,074    |
| <b>6. Key Management Personnel Compensation</b>                                                                                                                                                                                                                  |  |              |           |
| (a) Summary Key Management Personnel Compensation                                                                                                                                                                                                                |  |              |           |
| Short-term employee benefits                                                                                                                                                                                                                                     |  | 2,006,960    | 1,157,665 |
| Post-employment benefits                                                                                                                                                                                                                                         |  | 107,650      | 91,090    |
| Share-based payments                                                                                                                                                                                                                                             |  | 15,850       | 732,800   |
| Total key management personnel compensation                                                                                                                                                                                                                      |  | 2,130,460    | 1,981,555 |
| Detailed remuneration disclosures are provided within the remuneration report which can be found on pages 16 to 22 of the directors' report.                                                                                                                     |  |              |           |
| (b) Options provided as remuneration and shares issued on exercise of such options                                                                                                                                                                               |  |              |           |
| Details of options provided as remuneration and shares issued on the exercise of such options, together with the terms and conditions of the options, are provided within the remuneration report which can be found on pages 16 to 22 of the directors' report. |  |              |           |
| (c) Loans to key management personnel                                                                                                                                                                                                                            |  |              |           |
| No loans were made to any director or other key management personnel of the group, including their personally related parties during the financial year.                                                                                                         |  |              |           |
| (d) Other transactions with key management personnel                                                                                                                                                                                                             |  |              |           |
| Information relating to other transactions with any director or other key management personnel can be found at note 23.                                                                                                                                          |  |              |           |

**6. Key Management Personnel Compensation (continued)****(e) Option Holdings**

The number of options over ordinary shares in the company held during the financial year by each director of Venture Minerals Limited and other key management personnel of the group, including their personally related parties, are set out below:

| 2013                                  | Balance at start of the year | Granted as remuneration | Exercised | Other changes | Balance at end of the year | Vested and exercisable |
|---------------------------------------|------------------------------|-------------------------|-----------|---------------|----------------------------|------------------------|
| Directors of Venture Minerals Limited |                              |                         |           |               |                            |                        |
| Mr M Ashton                           | 1,500,000                    | -                       | -         | (750,000)     | 750,000                    | 750,000                |
| Mr H Halliday                         | 5,250,000                    | -                       | -         | (2,250,000)   | 3,000,000                  | 3,000,000              |
| Mr A Radonjic                         | 3,250,000                    | -                       | -         | (1,750,000)   | 1,500,000                  | 1,500,000              |
| Mr B McFadzean                        | 1,500,000                    | -                       | -         | (750,000)     | 750,000                    | 750,000                |
| Mr J Jetter                           | 1,750,000                    | 1,000,000               | -         | (1,000,000)   | 1,750,000                  | 750,000                |
| Other key management personnel        |                              |                         |           |               |                            |                        |
| Mr G Brock                            | 750,000                      | -                       | -         | -             | 750,000                    | 750,000                |
| Mr J Grygorcewicz                     | -                            | -                       | -         | -             | -                          | -                      |

| 2012                                  | Balance at start of the year | Granted as remuneration | Exercised | Other changes | Balance at end of the year | Vested and exercisable |
|---------------------------------------|------------------------------|-------------------------|-----------|---------------|----------------------------|------------------------|
| Directors of Venture Minerals Limited |                              |                         |           |               |                            |                        |
| Mr M Ashton                           | 2,250,000                    | 750,000                 | -         | (1,500,000)   | 1,500,000                  | 1,500,000              |
| Mr H Halliday                         | 7,650,000                    | 3,000,000               | -         | (5,400,000)   | 5,250,000                  | 5,250,000              |
| Mr A Radonjic                         | 5,250,000                    | 1,500,000               | -         | (3,500,000)   | 3,250,000                  | 3,250,000              |
| Mr B McFadzean                        | 2,200,000                    | 750,000                 | -         | (1,450,000)   | 1,500,000                  | 1,500,000              |
| Mr J Jetter                           | 1,000,000                    | 750,000                 | -         | -             | 1,750,000                  | 1,750,000              |
| Other key management personnel        |                              |                         |           |               |                            |                        |
| Mr G Brock <sup>A</sup>               | -                            | 750,000                 | -         | -             | 750,000                    | 750,000                |
| Mr J Grygorcewicz <sup>B</sup>        | -                            | -                       | -         | -             | -                          | -                      |

A: Mr G Brock was appointed on the 4 July 2011

B: Mr J Grygorcewicz was appointed on 14 May 2012

**6. Key Management Personnel Compensation (continued)****(f) Share holdings**

The number of shares in the company held during the financial year by each director of Venture Minerals Limited and other key management personnel of the group, including their personally related parties, are set out below. There were no shares granted during the year as compensation.

| <b>2013</b>                           | <b>Balance at the start of the year</b> | <b>Received on exercise of options</b> | <b>Other changes</b> | <b>Balance at the end of the year</b> |
|---------------------------------------|-----------------------------------------|----------------------------------------|----------------------|---------------------------------------|
| Directors of Venture Minerals Limited |                                         |                                        |                      |                                       |
| Mr M Ashton                           | 1,500,000                               | -                                      | -                    | 1,500,000                             |
| Mr H Halliday                         | 6,425,000                               | -                                      | -                    | 6,425,000                             |
| Mr A Radonjic                         | 2,666,665                               | -                                      | -                    | 2,666,665                             |
| Mr B McFadzean                        | -                                       | -                                      | -                    | -                                     |
| Mr J Jetter                           | 2,259,000                               | -                                      | 500,000              | 2,759,000                             |
| Other key management personnel        |                                         |                                        |                      |                                       |
| Mr G Brock <sup>A</sup>               | -                                       | -                                      | 50,000               | 50,000                                |
| Mr J Grygorcewicz <sup>B</sup>        | -                                       | -                                      | 211,744              | 211,744                               |

| <b>2012</b>                           | <b>Balance at the start of the year</b> | <b>Received on exercise of options</b> | <b>Other changes</b> | <b>Balance at the end of the year</b> |
|---------------------------------------|-----------------------------------------|----------------------------------------|----------------------|---------------------------------------|
| Directors of Venture Minerals Limited |                                         |                                        |                      |                                       |
| Mr M Ashton                           | 1,500,000                               | -                                      | -                    | 1,500,000                             |
| Mr H Halliday                         | 6,425,000                               | -                                      | -                    | 6,425,000                             |
| Mr A Radonjic                         | 2,666,665                               | -                                      | -                    | 2,666,665                             |
| Mr B McFadzean                        | -                                       | -                                      | -                    | -                                     |
| Mr J Jetter                           | 2,259,000                               | -                                      | -                    | 2,259,000                             |
| Other key management personnel        |                                         |                                        |                      |                                       |
| Mr G Brock <sup>A</sup>               | -                                       | -                                      | -                    | -                                     |
| Mr J Grygorcewicz <sup>B</sup>        | -                                       | -                                      | -                    | -                                     |

A: Mr G Brock was appointed on the 4 July 2011

B: Mr J Grygorcewicz was appointed on 14 May 2012

|                                                                                         |  | Consolidated |              |
|-----------------------------------------------------------------------------------------|--|--------------|--------------|
|                                                                                         |  | 2013         | 2012         |
|                                                                                         |  | \$           | \$           |
| <b>7. Income Tax Expense</b>                                                            |  |              |              |
| (a) <b>Income tax expense</b>                                                           |  |              |              |
| Current tax                                                                             |  | 1,712,199    | 867,258      |
| Deferred tax                                                                            |  | -            | -            |
| Total income tax (expense)/benefit                                                      |  | 1,712,199    | 867,258      |
| Deferred income tax expense included in income tax expense comprises:                   |  |              |              |
| (Increase) in deferred tax assets (note 7(c))                                           |  | (2,370,130)  | (3,049,005)  |
| Increase in deferred tax liabilities (note 7(d))                                        |  | 2,370,130    | 3,049,005    |
|                                                                                         |  | -            | -            |
| (b) <b>Numerical reconciliation of income tax expense to prima facie tax payable</b>    |  |              |              |
| Profit/(loss) from continuing operations before income tax expense                      |  | (4,886,340)  | (4,822,652)  |
| Tax (tax benefit) at the tax rate of 30% (2012: 30%)                                    |  | (1,465,902)  | (1,446,796)  |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: |  |              |              |
| Share based payments                                                                    |  | 82,684       | 333,424      |
| Other non-deductible amounts                                                            |  | 28,161       | 36,421       |
|                                                                                         |  | (1,355,057)  | (1,076,951)  |
| Unrecognised tax losses                                                                 |  | 213,591      | 383,144      |
| Research & Development Expenditure benefit at 45%                                       |  | (570,733)    | (173,451)    |
| Income tax benefit <sup>A</sup>                                                         |  | (1,712,199)  | (867,258)    |
| (c) <b>Deferred tax assets</b>                                                          |  |              |              |
| Tax losses <sup>B</sup>                                                                 |  | 12,664,616   | 10,322,108   |
| Employee benefits                                                                       |  | 122,522      | 91,858       |
| Other accruals                                                                          |  | 6,000        | 9,042        |
| Total deferred tax assets                                                               |  | 12,793,138   | 10,423,008   |
| Set-off deferred tax liabilities (note 7(d))                                            |  | (12,793,138) | (10,423,008) |
| Net deferred tax assets                                                                 |  | -            | -            |
| (d) <b>Deferred tax liabilities</b>                                                     |  |              |              |
| Exploration expenditure                                                                 |  | 12,767,697   | 10,380,170   |
| Other                                                                                   |  | 25,441       | 42,838       |
| Total deferred tax liabilities                                                          |  | 12,793,138   | 10,423,008   |
| Set-off deferred tax assets (note 7(c))                                                 |  | (12,793,138) | (10,423,008) |
| Net deferred tax liabilities                                                            |  | -            | -            |
| (e) <b>Tax losses</b>                                                                   |  |              |              |
| Unused tax losses for which no DTA has been recognized                                  |  | 8,558,036    | 7,699,361    |
| Potential tax benefit at 30%                                                            |  | 2,567,411    | 2,309,808    |
| (f) <b>Unrecognised temporary differences</b>                                           |  |              |              |
| Unrecognised deferred tax asset relating to capital raising costs                       |  | 2,402,767    | 1,998,800    |

A: The income tax benefit relates to a research and development claim recognised during the current year.

B: The deferred tax asset attributable to tax losses does not exceed taxable amounts arising from the reversal of existing assessable temporary differences.

|           |                                                                                                                                                                                                                                                                                                                                                                                                         | Consolidated |            |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------|
|           |                                                                                                                                                                                                                                                                                                                                                                                                         | 2013         | 2012       |
|           |                                                                                                                                                                                                                                                                                                                                                                                                         | \$           | \$         |
| <b>8.</b> | <b>Cash &amp; Cash Equivalents</b>                                                                                                                                                                                                                                                                                                                                                                      |              |            |
| (a)       | Cash & cash equivalents                                                                                                                                                                                                                                                                                                                                                                                 |              |            |
|           | Cash at bank and in hand                                                                                                                                                                                                                                                                                                                                                                                | 1,543,340    | 2,096,152  |
|           | Deposits at call                                                                                                                                                                                                                                                                                                                                                                                        | 12,000,000   | 8,000,000  |
|           | Total cash and cash equivalents                                                                                                                                                                                                                                                                                                                                                                         | 13,543,340   | 10,096,152 |
| (b)       | Cash at bank and on hand                                                                                                                                                                                                                                                                                                                                                                                |              |            |
|           | Cash on hand is non-interest bearing. Cash at bank bears interest rates between 0.00% and 3.10% (2012: 0.00% and 4.00%).                                                                                                                                                                                                                                                                                |              |            |
| (c)       | Deposits at call                                                                                                                                                                                                                                                                                                                                                                                        |              |            |
|           | Deposits at call are bearing interest rates between 4.07% and 4.44% (2012: 5.03% and 5.30%).                                                                                                                                                                                                                                                                                                            |              |            |
| <b>9.</b> | <b>Trade &amp; Other Receivables</b>                                                                                                                                                                                                                                                                                                                                                                    |              |            |
| (a)       | Current                                                                                                                                                                                                                                                                                                                                                                                                 |              |            |
|           | Other receivables                                                                                                                                                                                                                                                                                                                                                                                       | 148,930      | 469,351    |
|           | Prepayments                                                                                                                                                                                                                                                                                                                                                                                             | 15,590       | 185,181    |
|           | Total current trade and other receivables                                                                                                                                                                                                                                                                                                                                                               | 164,520      | 654,532    |
| (b)       | Non-Current                                                                                                                                                                                                                                                                                                                                                                                             |              |            |
|           | Deposits <sup>1</sup>                                                                                                                                                                                                                                                                                                                                                                                   | 1,007,913    | 373,800    |
|           | Total non-current trade and other receivables                                                                                                                                                                                                                                                                                                                                                           | 1,007,913    | 373,800    |
|           | <sup>1</sup> The deposits include a \$907,000 (2012: \$355,000) bank guarantee facility for a corporate credit card facility and security deposits required by the relevant authority for the granted exploration and mining licences. Security deposits of \$16,060 are held in cash by the relevant authority for granted exploration licences. The unused facility amount is \$nil (2012: \$69,000). |              |            |
| (c)       | Past due and impaired receivables                                                                                                                                                                                                                                                                                                                                                                       |              |            |
|           | As at 30 June 2013, there were no other receivables that were past due or impaired (2012: nil).                                                                                                                                                                                                                                                                                                         |              |            |
| (d)       | Effective interest rates and credit risk                                                                                                                                                                                                                                                                                                                                                                |              |            |
|           | Information concerning effective interest rates and credit risk of both current and non-current trade and other receivables is set out in note 17.                                                                                                                                                                                                                                                      |              |            |



| Consolidated                               | Plant & Equipment<br>\$ | Furniture & Equipment<br>\$ | Leasehold Improvements<br>\$ | Motor Vehicle<br>\$ | Land<br>\$ | Construction in progress<br>\$ | Total<br>\$ |
|--------------------------------------------|-------------------------|-----------------------------|------------------------------|---------------------|------------|--------------------------------|-------------|
| <b>10. Property, Plant &amp; Equipment</b> |                         |                             |                              |                     |            |                                |             |
| <b>Year ended 30 June 2012</b>             |                         |                             |                              |                     |            |                                |             |
| Opening net book amount                    | 51,599                  | 36,797                      | 114,408                      | 55,825              | 129,839    | -                              | 388,468     |
| Additions                                  | 13,809                  | 6,530                       | -                            | 35,371              | -          | -                              | 55,710      |
| Disposals/write-offs                       | -                       | -                           | -                            | -                   | -          | -                              | -           |
| Depreciation charge                        | (24,037)                | (8,509)                     | (14,301)                     | (16,703)            | -          | -                              | (63,550)    |
| Closing net book amount                    | 41,371                  | 34,818                      | 100,107                      | 74,493              | 129,839    | -                              | 380,628     |
| <b>At 30 June 2012</b>                     |                         |                             |                              |                     |            |                                |             |
| Cost or fair value                         | 146,054                 | 53,518                      | 132,146                      | 144,904             | 129,839    | -                              | 606,461     |
| Accumulated depreciation                   | (104,683)               | (18,700)                    | (32,039)                     | (70,411)            | -          | -                              | (225,833)   |
| Net book amount                            | 41,371                  | 34,818                      | 100,107                      | 74,493              | 129,839    | -                              | 380,628     |
| <b>Year ended 30 June 2013</b>             |                         |                             |                              |                     |            |                                |             |
| Opening net book amount                    | 41,371                  | 34,818                      | 100,107                      | 74,493              | 129,839    | -                              | 380,628     |
| Additions                                  | 15,741                  | -                           | -                            | 91,153              | -          | 54,000                         | 160,894     |
| Disposals/write-offs                       | (1,296)                 | -                           | -                            | -                   | -          | -                              | (1,296)     |
| Depreciation charge                        | (20,822)                | (6,964)                     | (12,513)                     | (35,725)            | -          | -                              | (76,024)    |
| Closing net book amount                    | 34,994                  | 27,854                      | 87,594                       | 129,921             | 129,839    | 54,000                         | 464,202     |
| <b>At 30 June 2013</b>                     |                         |                             |                              |                     |            |                                |             |
| Cost or fair value                         | 155,860                 | 53,518                      | 132,146                      | 236,057             | 129,839    | 54,000                         | 761,420     |
| Accumulated depreciation                   | (120,866)               | (25,664)                    | (44,552)                     | (106,136)           | -          | -                              | (297,218)   |
| Net book amount                            | 34,994                  | 27,854                      | 87,594                       | 129,921             | 129,839    | 54,000                         | 464,202     |

|                                                                                                                                                                                                                                                                                                                                                                                                                                      |  | Consolidated |            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------|------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                      |  | 2013<br>\$   | 2012<br>\$ |
| <b>11. Exploration &amp; Evaluation Expenditure</b>                                                                                                                                                                                                                                                                                                                                                                                  |  |              |            |
| <b>(a) Non-current</b>                                                                                                                                                                                                                                                                                                                                                                                                               |  |              |            |
| Opening balance                                                                                                                                                                                                                                                                                                                                                                                                                      |  | 34,609,403   | 24,472,811 |
| Exploration and acquisition costs                                                                                                                                                                                                                                                                                                                                                                                                    |  | 9,718,512    | 10,922,091 |
| Write offs/provisions                                                                                                                                                                                                                                                                                                                                                                                                                |  | (903,147)    | (785,499)  |
| Foreign currency translation differences                                                                                                                                                                                                                                                                                                                                                                                             |  | (54,049)     | -          |
| Total non-current exploration and evaluation expenditure                                                                                                                                                                                                                                                                                                                                                                             |  | 43,370,719   | 34,609,403 |
| <b>(b) Recoverability of capitalised costs</b>                                                                                                                                                                                                                                                                                                                                                                                       |  |              |            |
| The value of the group's interest in exploration expenditure is dependent upon:                                                                                                                                                                                                                                                                                                                                                      |  |              |            |
| <ul style="list-style-type: none"> <li>the continuance of the group's rights to tenure of the areas of interest;</li> <li>the results of future exploration; and</li> <li>the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.</li> </ul>                                                                                                              |  |              |            |
| The group's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims. |  |              |            |

|                                       | Consolidated |           |
|---------------------------------------|--------------|-----------|
|                                       | 2013         | 2012      |
|                                       | \$           | \$        |
| <b>12. Trade &amp; Other Payables</b> |              |           |
| Current                               |              |           |
| Trade Payables                        | 267,837      | 1,172,314 |
| Other Payables                        | 261,562      | 334,430   |
| Total current trade & other           | 529,399      | 1,506,744 |
| <b>13. Provisions</b>                 |              |           |
| (a) Current                           |              |           |
| Employee entitlements                 | 377,612      | 289,666   |
| Total current provisions              | 377,612      | 289,666   |
| (b) Non-Current                       |              |           |
| Employee entitlements                 | 30,795       | 16,526    |
| Total non-current provisions          | 30,795       | 16,526    |

|                                                                                                                                                                                                      | Consolidated |             | Consolidated |            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------|--------------|------------|
|                                                                                                                                                                                                      | 2013         | 2012        | 2013         | 2012       |
|                                                                                                                                                                                                      | Shares       | Shares      | \$           | \$         |
| <b>14. Contributed Equity</b>                                                                                                                                                                        |              |             |              |            |
| (a) Issued capital                                                                                                                                                                                   |              |             |              |            |
| Ordinary shares - fully paid                                                                                                                                                                         | 287,320,170  | 232,468,592 | 72,383,737   | 56,279,621 |
| Total issued capital                                                                                                                                                                                 | 287,320,170  | 232,468,592 | 72,383,737   | 56,279,621 |
| (b) Ordinary Shares                                                                                                                                                                                  |              |             |              |            |
| Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held.        |              |             |              |            |
| (c) Options                                                                                                                                                                                          |              |             |              |            |
| Information relating to options including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 15. |              |             |              |            |

|                                           | Date      | Number of Shares | Issue Price<br>\$ | Total<br>\$ |
|-------------------------------------------|-----------|------------------|-------------------|-------------|
| <b>14. Contributed Equity (continued)</b> |           |                  |                   |             |
| (d) Movements in issued capital           |           |                  |                   |             |
| Opening Balance 1 July 2011               |           | 221,093,592      |                   | 52,366,258  |
| Exercise of options                       | 16 Jan 12 | 10,075,000       | \$0.30            | 3,022,500   |
| Exercise of options                       | 22 Feb 12 | 1,300,000        | \$0.30            | 390,000     |
| Transfer from option premium reserve      |           |                  |                   | 663,890     |
| Less: Transaction costs                   |           |                  |                   | (163,027)   |
| Closing Balance at 30 June 2012           |           | 232,468,592      |                   | 56,279,621  |
| Tranche 1                                 | 15 Aug 12 | 22,959,968       | \$0.31            | 7,117,590   |
| Share purchase plan                       | 12 Sep 12 | 6,451,578        | \$0.31            | 1,999,990   |
| Tranche 2A                                | 25 Sep 12 | 13,907,732       | \$0.31            | 4,311,397   |
| Tranche 2B                                | 12 Oct 12 | 11,532,300       | \$0.31            | 3,575,013   |
| Less: Transaction costs                   |           |                  |                   | (899,874)   |
| Closing Balance at 30 June 2013           |           | 287,320,170      |                   | 72,383,737  |

| Expiry date                            | Exercise price | Balance at start of year | Granted during the year | Issued/ (Exercised) during the year | Cancelled/ lapsed during the year | Balance at end of the year |
|----------------------------------------|----------------|--------------------------|-------------------------|-------------------------------------|-----------------------------------|----------------------------|
| <b>15. Share Options</b>               |                |                          |                         |                                     |                                   |                            |
| (a) 2013 unlisted share option details |                |                          |                         |                                     |                                   |                            |
| 24 Sep 12                              | 45.0 cents     | -                        | -                       | 1,000,000                           | -                                 | 1,000,000                  |
| 15 Aug 12                              | 45.0 cents     | -                        | -                       | 2,000,000                           | -                                 | 2,000,000                  |
| 15 Aug 12                              | 50.0 cents     | -                        | -                       | 2,000,000                           | -                                 | 2,000,000                  |
| 15 Aug 12                              | 55.0 cents     | -                        | -                       | 2,500,000                           | -                                 | 2,500,000                  |
| 15 Aug 14                              | 45.0 cents     | 11,375,000               | -                       | -                                   | -                                 | 11,375,000                 |
| 20 Mar 13                              | 55.0 cents     | 500,000                  | -                       | -                                   | (500,000)                         | -                          |
| 20 Mar 13                              | 70.0 cents     | 10,550,000               | -                       | -                                   | (10,550,000)                      | -                          |
|                                        |                | 22,425,000               | -                       | 7,500,000                           | (11,050,000)                      | 18,875,000                 |
| Weighted average exercise price        |                | \$0.57                   | -                       | \$0.50                              | \$0.69                            | \$0.47                     |
| (b) 2012 unlisted share option details |                |                          |                         |                                     |                                   |                            |
| 31 Aug 11                              | 50.0 cents     | 9,580,000                | -                       | -                                   | (9,580,000)                       | -                          |
| 20 Feb 12                              | 30.0 cents     | 11,375,000               | -                       | (11,375,000)                        | -                                 | -                          |
| 15 Aug 14                              | 45.0 cents     | -                        | -                       | 11,375,000                          | -                                 | 11,375,000                 |
| 20 Mar 13                              | 55.0 cents     | 500,000                  | -                       | -                                   | -                                 | 500,000                    |
| 20 Mar 13                              | 70.0 cents     | 10,550,000               | -                       | -                                   | -                                 | 10,550,000                 |
|                                        |                | 32,005,000               | -                       | -                                   | (9,580,000)                       | 22,425,000                 |
| Weighted average exercise price        |                | \$0.50                   | -                       | \$0.37                              | \$0.50                            | \$0.57                     |

|                                                                                                                                                                                                                                                                                                                                                                                  | Consolidated<br>2013<br>\$ | 2012<br>\$ |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|------------|
| <b>16. Reserves</b>                                                                                                                                                                                                                                                                                                                                                              |                            |            |
| (a) Unlisted option reserve                                                                                                                                                                                                                                                                                                                                                      |                            |            |
| Opening balance                                                                                                                                                                                                                                                                                                                                                                  | 4,825,980                  | 4,378,457  |
| Exercise of options                                                                                                                                                                                                                                                                                                                                                              | -                          | (663,890)  |
| Lapsed options: Transfer within equity to retained earnings                                                                                                                                                                                                                                                                                                                      | (3,714,567)                |            |
| Unlisted options issued as remuneration during the year                                                                                                                                                                                                                                                                                                                          | 275,613                    | 1,111,413  |
| Total unlisted option reserve                                                                                                                                                                                                                                                                                                                                                    | 1,387,026                  | 4,825,980  |
| The unlisted option reserve records items recognised on valuation of director, employee and contractor share options. Information relating to the Venture Minerals Limited Employee Incentive Scheme "IOS", including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 15. |                            |            |

|                                                                                                                                                                                                                                                |  | Consolidated |           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------|-----------|
|                                                                                                                                                                                                                                                |  | 2013         | 2012      |
|                                                                                                                                                                                                                                                |  | \$           | \$        |
| <b>16. Reserves (continued)</b>                                                                                                                                                                                                                |  |              |           |
| (b) Foreign currency translation reserve                                                                                                                                                                                                       |  |              |           |
| Opening balance                                                                                                                                                                                                                                |  | 7,476        | -         |
| Exchange differences arising on translation of foreign operations                                                                                                                                                                              |  | 26,921       | 7,476     |
| Closing Balance                                                                                                                                                                                                                                |  | 34,397       | 7,476     |
| Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised in the statement of comprehensive income when the net investment is disposed of. |  |              |           |
| (c) Total reserves                                                                                                                                                                                                                             |  |              |           |
| Unlisted option reserve                                                                                                                                                                                                                        |  | 1,387,026    | 4,825,980 |
| Exchange differences arising on translation of foreign operations                                                                                                                                                                              |  | 34,397       | 7,476     |
| Closing Balance                                                                                                                                                                                                                                |  | 1,421,423    | 4,833,456 |

**17. Financial Instruments, Risk Management Objectives and Policies**

The Consolidated Entity's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the group. The Consolidated Entity also has other financial instruments such as trade and other receivables and trade and other payables which arise directly from its operations. For the year under review, it has been the Consolidated Entity's policy not to trade in financial instruments.

The main risks arising from the Consolidated Entity's financial instruments are interest rate risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

**(a) Interest Rate Risk**

The group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

| Consolidated                            | Weighted Average Interest Rate | Floating Interest Rate | Fixed Interest | Non-interest bearing | 2013 total |
|-----------------------------------------|--------------------------------|------------------------|----------------|----------------------|------------|
|                                         | %                              | \$                     | \$             | \$                   | \$         |
| <b>2013</b>                             |                                |                        |                |                      |            |
| <b>Financial Assets</b>                 |                                |                        |                |                      |            |
| Cash and cash equivalents               | 4.07%                          | 1,454,154              | 12,000,000     | 89,186               | 13,543,340 |
| Trade & other receivables - current     | 0.00%                          | -                      | -              | 148,960              | 148,960    |
| Trade & other receivables - non-current | 4.10%                          | -                      | 991,853        | 16,060               | 1,007,913  |
|                                         |                                | 1,454,154              | 12,991,853     | 254,206              | 14,700,213 |
| <b>Financial Liabilities</b>            |                                |                        |                |                      |            |
| Trade & other payables - current        | 0.00%                          | -                      | -              | 529,399              | 529,399    |
| Financial liabilities – current         | 7.18%                          | -                      | 20,860         | -                    | 20,860     |
| Financial liabilities – non-current     | 7.17%                          | -                      | 57,940         | -                    | 57,940     |
|                                         |                                | -                      | 78,800         | 529,399              | 608,199    |

**17. Financial Instruments, Risk Management Objectives and Policies (continued)****(a) Interest Rate Risk (continued)**

| Consolidated                            | Weighted<br>Average<br>Interest<br>Rate | Floating<br>Interest<br>Rate | Fixed<br>Interest | Non-interest<br>bearing | 2012 total |
|-----------------------------------------|-----------------------------------------|------------------------------|-------------------|-------------------------|------------|
|                                         | %                                       | \$                           | \$                | \$                      | \$         |
| <b>2012</b>                             |                                         |                              |                   |                         |            |
| <b>Financial Assets</b>                 |                                         |                              |                   |                         |            |
| Cash and cash equivalents               | 4.60                                    | 890,972                      | 8,000,000         | 1,205,180               | 10,096,152 |
| Trade & other receivables - current     | 0.00                                    | -                            | -                 | 469,351                 | 469,351    |
| Trade & other receivables - non-current | 4.71                                    | -                            | 373,800           | -                       | 373,800    |
|                                         |                                         | 890,972                      | 8,373,800         | 1,674,531               | 10,939,303 |
| <b>Financial Liabilities</b>            |                                         |                              |                   |                         |            |
| Trade & other payables - current        | 0.00                                    | -                            | -                 | 1,506,744               | 1,506,744  |
|                                         |                                         | -                            | -                 | 1,506,744               | 1,506,744  |

The maturity date for all cash, current receivables and trade and other payable financial instruments included in the above tables is one year or less from balance date. The maturity for the non-current trade and other receivables is between 1 and 2 years from balance date.

**Group sensitivity analysis**

The entity's main interest rate risk arises from cash and cash equivalents with variable and fixed interest rates. At 30 June 2013 and 30 June 2012, the group's exposure to interest rate risk is not considered material.

**(b) Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the group's maximum exposure to credit risk.

**(c) Liquidity risk**

The group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying businesses, the group aims at ensuring flexibility in its liquidity profile by maintaining the ability to undertake capital raisings. Funds in excess of short term operational cash requirements are generally only invested in short term bank bills.

**(d) Net fair value**

The carrying value and net fair values of financial assets and liabilities at balance date are:

| Consolidated                            | 2013                     |                         | 2012                     |                         |
|-----------------------------------------|--------------------------|-------------------------|--------------------------|-------------------------|
|                                         | Carrying<br>Amount<br>\$ | Net fair<br>Value<br>\$ | Carrying<br>Amount<br>\$ | Net fair<br>Value<br>\$ |
| <b>Financial assets</b>                 |                          |                         |                          |                         |
| Cash and cash equivalents               | 13,543,340               | 13,543,340              | 10,096,152               | 10,096,152              |
| Trade & other receivables - current     | 148,960                  | 148,960                 | 469,351                  | 469,351                 |
| Trade & other receivables - non-current | 1,007,913                | 1,007,913               | 373,800                  | 373,800                 |
|                                         | 14,700,213               | 14,700,213              | 10,939,303               | 10,939,303              |
| <b>Financial Liabilities</b>            |                          |                         |                          |                         |
| Trade and other payables - current      | 529,399                  | 529,399                 | 1,506,744                | 1,506,744               |
| Financial liabilities – current         | 20,860                   | 20,860                  | -                        | -                       |
| Financial liabilities – non-current     | 57,940                   | 57,940                  | -                        | -                       |
|                                         | 608,199                  | 608,199                 | 1,506,744                | 1,506,744               |

|                                                                                                             |  | Consolidated |              |
|-------------------------------------------------------------------------------------------------------------|--|--------------|--------------|
|                                                                                                             |  | 2013         | 2012         |
|                                                                                                             |  | \$           | \$           |
| <b>18. Earnings per Share</b>                                                                               |  |              |              |
| (a) Earnings/(Loss)                                                                                         |  |              |              |
| Earnings/(loss) used in the calculation of basic EPS                                                        |  | (3,174,141)  | (3,955,394)  |
| (b) Weighted average number of ordinary shares ('WANOS')                                                    |  |              |              |
| WANOS used in the calculation of basic earnings per share:                                                  |  | 276,608,603  | 226,145,536  |
| <b>19. Cash Flow Information</b>                                                                            |  |              |              |
| Reconciliation of cash flows from operating activities with loss from ordinary activities after income tax: |  |              |              |
| Profit/(loss) from ordinary activities after income tax                                                     |  | (3,174,141)  | (3,955,394)  |
| Depreciation                                                                                                |  | 39,369       | 46,847       |
| Share based payments                                                                                        |  | 275,613      | 1,111,413    |
| Changes in assets and liabilities:                                                                          |  |              |              |
| - Decrease/(Increase) in operating receivables & prepayments                                                |  | 476,901      | (54,498)     |
| - (Increase) in capitalised exploration                                                                     |  | (8,702,602)  | (10,112,413) |
| - Increase/(decrease) in trade and other payables                                                           |  | (989,696)    | 142,963      |
| - Increase in employee provisions                                                                           |  | 102,215      | 148,162      |
| Net cash (outflows) from Operating Activities                                                               |  | (11,972,341) | (12,672,920) |

|                                                      |  | Consolidated |           |
|------------------------------------------------------|--|--------------|-----------|
|                                                      |  | 2013         | 2012      |
|                                                      |  | \$           | \$        |
| <b>20. Commitments</b>                               |  |              |           |
| (a) Exploration commitments                          |  |              |           |
| Not longer than one year                             |  | 860,680      | 554,920   |
| Longer than one year, but not longer than five years |  | 2,198,800    | 3,039,920 |
| Longer than five years                               |  | -            | -         |
|                                                      |  | 3,059,480    | 3,594,840 |

In order to maintain rights of tenure to mining tenements subject to these agreements, the group would have the above discretionary exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable per the above maturities. If the company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.



|                                                                                                                                                                                                                                                             |                                                      | Consolidated   |                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|----------------|----------------|
|                                                                                                                                                                                                                                                             |                                                      | 2013           | 2012           |
|                                                                                                                                                                                                                                                             |                                                      | \$             | \$             |
| <b>20</b>                                                                                                                                                                                                                                                   | <b>Commitments (continued)</b>                       |                |                |
| (b)                                                                                                                                                                                                                                                         | Lease commitments: group as lessee                   |                |                |
|                                                                                                                                                                                                                                                             | <i>Non-cancellable operating leases</i>              |                |                |
|                                                                                                                                                                                                                                                             | Not longer than one year                             | 217,187        | 159,107        |
|                                                                                                                                                                                                                                                             | Longer than one year, but not longer than five years | 380,078        | -              |
|                                                                                                                                                                                                                                                             | Longer than five years                               | -              | -              |
|                                                                                                                                                                                                                                                             |                                                      | <u>597,265</u> | <u>159,107</u> |
| <p>The company leases its corporate office under non-cancellable operating lease which was renewed on the 1<sup>st</sup> of April 2013 and will expire on 31 March 2016 with options to renew.<br/>On renewal, the terms of the lease are renegotiated.</p> |                                                      |                |                |
| (c)                                                                                                                                                                                                                                                         | <b>Finance lease liabilities</b>                     |                |                |
| <p>The group leases motor vehicles with a carrying amount of \$72,189 under finance leases expiring within four years. On expiry of the lease the Group will retain ownership of the vehicles.</p>                                                          |                                                      |                |                |
| <p>Commitments in relation to finance leases are payable as follows:</p>                                                                                                                                                                                    |                                                      |                |                |
|                                                                                                                                                                                                                                                             | Within one year                                      | 25,886         | -              |
|                                                                                                                                                                                                                                                             | Later than one year but not later than five years    | 63,554         | -              |
|                                                                                                                                                                                                                                                             | Minimum lease payments                               | <u>89,440</u>  | -              |
|                                                                                                                                                                                                                                                             | Future finance charges                               | (10,640)       | -              |
|                                                                                                                                                                                                                                                             | Recognised as a liability                            | <u>78,800</u>  | -              |
|                                                                                                                                                                                                                                                             | Representing lease liabilities:                      |                |                |
|                                                                                                                                                                                                                                                             | Current                                              | 20,860         | -              |
|                                                                                                                                                                                                                                                             | Non-current                                          | 57,940         | -              |
|                                                                                                                                                                                                                                                             | Total lease liabilities                              | <u>78,800</u>  | -              |

## 21. Events Occurring After Balance Date

The following matters have arisen following the end of the financial year:

- On 2 July 2013 the mining contract for the Riley DSO Project was signed with the mining contractor. The Company progressed readiness for mining confirming the order of capital items including crusher and screen feeder, high rate thickener and log washer, with a combined expenditure commitment of A\$750,000.
- On 5 August 2013 the Company received approval conditions from the Federal Environment Minister for the development of the Riley Direct Shipping Ore hematite mine.
- On 24 September 2013 the Company received notification from the Resource Management and Planning Appeal Tribunal their decision to dismiss an appeal against development approval for the Riley DSO Project.

There were no further material events subsequent to balance date.

**22. Segment Information****(a) Description of segments**

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. For the purposes of segment reporting the chief operating decision maker has been determined as the board of directors. The board monitors the entity primarily from a geographical perspective, and has identified two operating segments, being exploration for mineral reserves within Australia and the corporate/head office function.

**(b) Segment information provided to the board of directors**

The segment information provided to the board of directors for the reportable segments is as follows:

|                                       | Exploration |            | Corporate   | Total       |
|---------------------------------------|-------------|------------|-------------|-------------|
|                                       | Thailand    | Australia  |             |             |
|                                       | \$          | \$         | \$          | \$          |
| <b>2013</b>                           |             |            |             |             |
| Total segment revenue                 | -           | -          | 679,954     | 679,954     |
| Interest revenue                      | -           | -          | 679,954     | 679,954     |
| Depreciation and amortisation expense | -           | -          | 39,369      | 39,369      |
| Total segment loss before income tax  | -           | (903,147)  | (3,983,193) | (4,886,340) |
| Total segment assets                  | 839,725     | 42,688,828 | 15,022,141  | 58,550,694  |
| Total segment liabilities             | 10,141      | -          | 1,006,465   | 1,016,606   |
| <b>2012</b>                           |             |            |             |             |
| Total segment revenue                 | -           | -          | 751,428     | 751,428     |
| Interest revenue                      | -           | -          | 751,428     | 751,428     |
| Depreciation and amortisation expense | (282)       | (3,020)    | (43,545)    | (46,847)    |
| Total segment loss before income tax  | (118,808)   | (756,136)  | (3,947,708) | (4,822,652) |
| Total segment assets                  | 30,917      | 34,730,404 | 11,353,194  | 46,114,515  |
| Total segment liabilities             | (3,919)     | -          | (1,809,017) | (1,812,936) |

**(c) Measurement of segment information**

All information presented in part (b) above is measured in a manner consistent with that in the financial statements.

**(d) Segment revenue**

No inter-segment sales occurred during the current or previous financial year. The entity is domiciled in Australia. No revenue was derived from external customers in countries other than the country of domicile. Revenues of \$679,954 (2012: \$751,428) were derived from two Australian financial institution during the period. These revenues are attributable to the corporate segment.

**(e) Reconciliation of segment information**

Total segment revenue, total segment profit/(loss) before income tax, total segment assets and total segment liabilities as presented in part (b) above, equal total entity revenue, total entity profit/(loss) before income tax, total entity assets and total entity liabilities respectively, as reported within the financial statements.

## 23. Related Party Information

### (a) Parent entity

The ultimate parent entity within the group is Venture Minerals Limited.

### (b) Subsidiaries

Interests in subsidiaries are set out in note 26.

### (c) Key management personnel

Disclosures relating to key management personnel are set out in note 6.

### (d) Transactions with Director Related Parties

The following transactions occurred with director related parties:

|                                                                                             | Consolidated |         |
|---------------------------------------------------------------------------------------------|--------------|---------|
|                                                                                             | 2013         | 2012    |
|                                                                                             | \$           | \$      |
| <b>Recharges to director related entities (excluding GST):</b>                              |              |         |
| Recharge of costs to Gryphon Minerals Limited                                               | -            | 7,576   |
| Recharge of costs to Black Peak Pty Ltd                                                     | -            | 6,492   |
| Recharges of costs to Renaissance Minerals Limited                                          | 60,435       | 36,215  |
| Recharges of costs to Avonlea Minerals Limited                                              | -            | 95,487  |
| <b>Purchases from director related entities (excluding GST):</b>                            |              |         |
| Payments for shared services/reimbursable costs to Gryphon Minerals Ltd                     | 105,744      | 198,265 |
| Payments for shared services/reimbursable costs to Renaissance Minerals Ltd                 | -            | 4,889   |
| Payments for office rent and outgoings to Allos Property Group Pty Ltd                      | 273,724      | 294,846 |
| <b>Outstanding balances arising from recharges/purchases with Director Related Parties:</b> |              |         |
| Current receivables                                                                         | 18,809       | 43,919  |
| Current payables                                                                            | 12,006       | 50,340  |

### (e) Terms and conditions of related party transactions

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

## 24. Share Based Payments

The Directors have established an Incentive Option Scheme ('IOS') in accordance with the listing rules of the ASX. The purpose of the Scheme is to give employees, directors, executive officers and consultants of the group an opportunity, in the form of options, to subscribe for ordinary shares in the company. The Directors consider the Scheme will enable the group to retain and attract skilled and experienced employees, board members and executive officers and provide them with the motivation to make the group more successful.

### (a) Fair value of listed options granted

The fair value of listed options granted is calculated as the market value prevailing at the date on which the options are authorised for issue.

## 24. Share Based Payments (continued)

### (b) Fair value of unlisted options granted

The weighted average fair value of the options granted during the year was 4.7cents (2012: 9.7 cents). The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

|                                                 | 2013  | 2012  |
|-------------------------------------------------|-------|-------|
| Weighted average exercise price (cents)         | 50.0  | 45.0  |
| Weighted average life of the option (years)     | 2.75  | 2.4   |
| Weighted average underlying share price (cents) | 0.33  | 0.34  |
| Expected share price volatility                 | 70%   | 70%   |
| Weighted average risk free interest rate of     | 2.64% | 3.80% |

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future tender, which may not eventuate. The life of the options is based on historical exercise patterns, which may not eventuate in the future.

Total share-based payment transactions recognised during the year are set out below. Details of other options movements and balances are set out in Note 15.

|                                                        | Consolidated |           |
|--------------------------------------------------------|--------------|-----------|
|                                                        | 2013         | 2012      |
|                                                        | \$           | \$        |
| Unlisted options                                       |              |           |
| Options issued to directors, employees and consultants | 275,613      | 1,111,413 |

## 25. Contingent Liabilities

There are no contingent liabilities outstanding at the end of the year.

## 26. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

| Name of entity           | Country of incorporation | Class of shares | Equity holding <sup>A</sup> |      |
|--------------------------|--------------------------|-----------------|-----------------------------|------|
|                          |                          |                 | 2013                        | 2012 |
|                          |                          |                 | %                           | %    |
| Venture Uranium Pty Ltd  | Australia                | Ordinary        | 100                         | 100  |
| Venture Z Pty Ltd        | Australia                | Ordinary        | 100                         | 100  |
| Venture Iron Pty Ltd     | Australia                | Ordinary        | 100                         | 100  |
| Venture Tasmania Pty Ltd | Australia                | Ordinary        | 100                         | 100  |
| Venture T Pty Ltd        | Australia                | Ordinary        | 100                         | 100  |
| Venture Thailand Pty Ltd | Thailand                 | Ordinary        | 100                         | 100  |

A: The proportion of ownership interest is equal to the proportion of voting power held.

## 27. Interest in Joint Venture Operations & Farm-in Arrangements

### (a) Bass Metals JV

On 20 August 2008 Venture Minerals Limited entered into an earn-in Joint Venture agreement with Bass Metals Limited (Bass) to acquire a 70% interest in the Iron, Tin and Tungsten rights of the tenements (EL31/2003 and EL36/2003) under the following terms:

- (i) Venture to pay \$50,000 cash to Bass upon signing the heads of agreement,
- (ii) Venture to spend \$650,000 on exploration within 3 years to earn 70% of the iron, tin & tungsten rights,
- (iii) Venture must spend \$155,000 on exploration before it is entitled to withdraw,
- (iv) Venture is solely responsible for maintaining the licences in good standing with the Tasmanian Government,
- (v) Upon Venture earning 70% of the iron, tin & tungsten rights, Bass may elect to either contribute or dilute further to a 10% free carried interests up to the commencement of Mining Operations,
- (vi) Upon the Commencement of Mining Operations Bass can elect to either contribute their 10% share of the joint venture or dilute out using an industry standard dilution formula, and
- (vii) Pioneer Nickel Limited (ASX:PIO), through a previous joint venture agreement with Bass over the two tenements, has consented to this transaction and retains a 2% Net Smelter Royalty

At 30 June 2013, Venture Minerals had met the obligations under (i), (ii) and (iii) as set out above and held a 78% (30 June 2012: 76%) interest in the Tasmanian Projects. Bass Metals Ltd under (v) elected to dilute their interests during the year from 24% to 22%.

### (b) Black Peak Holdings

On 28 April 2006 and as revised in the Extension of Terms dated 10 August 2011, Debnal Pty Ltd ('Debnal') entered into a memorandum of understanding (Memorandum) with Black Peak Holdings Pty Ltd ('Black Peak') or nominee (Venture Minerals Limited). The Memorandum was for the purposes of entering into an earn-in Joint Venture for the South Australian Project (EL3511, EL3529 and EL4788) on the following terms and conditions:

- 1.1 Venture may earn a 51% interest in the South Australian Projects by spending \$750,000 on exploration within the first 2 years of the Joint Venture. Venture must meet the first year expenditure requirements of the South Australian Projects of approximately \$180,000;
- 1.2 Venture may earn a further 24% interest (total 75% interest) in the South Australian Project by spending an additional \$750,000 on exploration. On 10 August 2011 the terms were extended to allow the expenditure to occur within the same allowed to Mega Hindmarsh Pty Ltd as per the clause referred to in 2.2 below;
- 1.3 Venture may earn a further 15% (total 90% interest) in the South Australian Project by funding the completion of a bankable feasibility study on any of the South Australian Projects (Study); and
- 1.4 on completion of the Study, Debnal can elect to contribute to expenditure or dilute to a 2% net smelter royalty.

Debnal will be entitled to an additional \$100,000 in regard to each of the South Australian Projects in the event that Venture intersects potentially economic mineralization of greater than 100 gram/metres gold or gold equivalent. Should a Bankable Feasibility Study on any of the South Australian Projects yield a positive financial outcome, Debnal will receive a final cash payment of \$250,000. Venture may at anytime withdraw from part or all of the South Australian Projects and will inform Mr Allan Kelly, 30 days prior to any withdrawal of mineral licences. On signing of a formal Joint Venture on the South Australian Projects, Black Peak (now Venture) will employ, or find employment through other sources for Mr Allan Kelly at standard industry rates, for approximately 30 days per calendar year all the while Black Peak has title.

Further, on 31 July 2008 Venture Minerals entered into a farm-out Joint Venture agreement with a subsidiary of Mega Uranium Limited ('Mega'). The terms of the Joint Venture agreement were altered on the 10 August 2011 varying the terms of the agreement. The purpose was to farm-out an 80% interest in the Uranium rights of the tenements (EL4788) on the following terms and conditions:

## 27. Interest in Joint Venture Operations & Farm-in Arrangements (continued)

- 2.1 Mega to spend \$300,000 (second expenditure commitment) on exploration within 12 months of the granting of EL4788, Mega will be entitled to 100% of the Uranium Rights of Venture's Tenement interest at the time (which will be a 51% interest in EL4788). Mega must meet the minimum expenditure requirement of \$100,000 on exploration before Mega is entitled to withdraw,
- 2.2 If Mega incurs expenditure of \$450,000 within 24 months after meeting the "second expenditure commitment" referred to in 2.1, Mega will be entitled to 100% of the Uranium Rights of Venture's tenement interest which will be 75% in so far as it relates to Uranium Joint Venture Targets,
- 2.3 Mega to earn 80% of the uranium rights upon funding and completing a Bankable Feasibility Study, at which point Venture will be granted a 20% free carried interest in relation to the Uranium rights of which 10% will belong to Debnal Pty Ltd (the original owners) and,
- 2.4 Upon the Decision to Mine, Venture and Debnal can elect to either contribute their 10% share of the joint venture or each party can dilute to a 1% Net Smelter Royalty.

In the current and previous years, Venture Minerals withdrew from the Joint Venture in relation to EL3511 and EL3529. As at 30 June 2013, Venture Minerals had met the obligations under 1.1 above and held a 51% direct interest in EL4788.

### (c) Rumble Resources Limited JV

On 2 March 2011 the company entered into an earn-in Joint Venture Agreement with Rumble Resources Limited whereby Rumble has the opportunity to acquire an interest in the Company's Paulsens South tenements.

The terms of the Agreement are as follows:

- i) Rumble to acquire an initial 51% interest through the expenditure of \$500,000 within 3 years of Rumble being admitted onto the ASX. This shall include a minimum of 3,000 metres of RC or diamond drilling to be completed before withdrawal or within 12 months of listing on ASX or 15 October 2012 whichever comes first.
- ii) Rumble may acquire an additional 19% interest through the expenditure of \$1,000,000 within 5 years of Rumble being admitted onto the ASX.
- iii) Upon Rumble acquiring a 70% interest, Venture shall have the option to contribute to further expenditure or dilute to a 10% interest.
- iv) If Venture elects to dilute to a 10% interest, Venture will be free carried to a decision to mine on expenditure capped at \$10 million by Rumble.
- v) At completion of expenditure of \$10 million or decision to mine (whichever comes first) Venture shall have the option of contributing to further expenditure or revert to a 1% net smelter royalty.



|                                                                                |  | Company      |              |
|--------------------------------------------------------------------------------|--|--------------|--------------|
|                                                                                |  | 2013         | 2012         |
|                                                                                |  | \$           | \$           |
| <b>28. Parent Entity Information</b>                                           |  |              |              |
| (a) Assets                                                                     |  |              |              |
| Current assets                                                                 |  | 13,683,926   | 10,731,199   |
| Non-current assets                                                             |  | 44,978,775   | 35,527,547   |
| Total assets                                                                   |  | 58,662,701   | 46,258,746   |
| (b) Liabilities                                                                |  |              |              |
| Current liabilities                                                            |  | 917,730      | 1,792,491    |
| Non current liabilities                                                        |  | 88,735       | 16,526       |
| Total liabilities                                                              |  | 1,006,465    | 1,809,017    |
| (c) Equity                                                                     |  |              |              |
| Contributed equity                                                             |  | 72,383,737   | 56,279,622   |
| Accumulated losses                                                             |  | (16,114,527) | (16,655,873) |
| Reserves                                                                       |  | 1,387,026    | 4,825,980    |
| Total equity                                                                   |  | 57,656,236   | 44,449,729   |
| (d) Total Comprehensive loss for the year                                      |  |              |              |
| Loss for the year after income tax                                             |  | (3,173,233)  | (3,800,043)  |
| Other comprehensive income for the year                                        |  | -            | -            |
| Total comprehensive loss for the year                                          |  | (3,173,233)  | (3,800,043)  |
| The parent entity has not guaranteed any loans for any entity during the year. |  |              |              |

In the directors' opinion:

- (a) the financial statements and notes set out on pages 26 to 55 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (c) the audited remuneration disclosures set out on pages 16 to 22 of the directors' report comply with section 300A of the *Corporations Act 2001*.
- (d) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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



**Hamish Halliday**  
**Managing Director**

Perth, Western Australia, 30 September 2013

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VENTURE MINERALS LIMITED**

### **Report on the Financial Report**

We have audited the accompanying financial report of Venture Minerals Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

#### *Directors' responsibility for the Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In note 1(a)(i), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

*Auditor's opinion*

In our opinion:

- (a) the financial report of Venture Minerals Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in note 1(a)(i).

**Report on the Remuneration Report**

We have audited the remuneration report included in pages 16 to 22 of the directors' report for the year ended 30 June 2013. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

*Auditor's opinion*

In our opinion the remuneration report of Venture Minerals Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**

*Stantons International Audit & Consulting Pty Ltd*

  
**Martin Michalik**  
Director

West Perth, Western Australia  
30 September 2013

## Additional Shareholder Information

### Shareholding Distribution

The distribution of members and their holdings of equity securities in the holding company as at 20 September 2013 were as follows:

| Number Held as at 20 September 2013 | Class of Equity Securities<br>Fully Paid Ordinary Shares |
|-------------------------------------|----------------------------------------------------------|
| 1 - 1,000                           | 72,862                                                   |
| 1,001 - 5,000                       | 3,308,483                                                |
| 5,001 - 10,000                      | 7,081,586                                                |
| 10,001 - 100,000                    | 65,785,715                                               |
| 100,001 and over                    | 211,071,524                                              |
|                                     | <b>287,320,170</b>                                       |

Holders of less than a marketable parcel: 522

### Substantial Shareholders

The names of the substantial shareholders as at 20 September 2013:

| Shareholder                            | Number     |
|----------------------------------------|------------|
| Republic Investment Management Pte Ltd | 27,704,479 |
| Molton Holdings Limited                | 23,370,684 |
| Elphinstone Holdings Pty Ltd           | 19,877,742 |

### Voting Rights - Ordinary Shares

In accordance with the holding company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

### Options

|                  | Exercise price | Vesting conditions                                                                                   | Expiry date             | Number of options | Number of holders |
|------------------|----------------|------------------------------------------------------------------------------------------------------|-------------------------|-------------------|-------------------|
| Unlisted options | \$0.45         | Nil                                                                                                  | 14 August 2014          | 2,000,000         | 1                 |
| Unlisted options | \$0.45         | Nil                                                                                                  | 15 August 2014          | 11,375,000        | 16                |
| Unlisted options | \$0.45         | Vesting upon successfully obtaining project financing for the Mt Lindsay Tin/Tungsten Project        | 18 months after vesting | 1,000,000         | 1                 |
| Unlisted options | \$0.50         | Vesting upon first shipment of DSO ore                                                               | 18 months after vesting | 2,000,000         | 1                 |
| Unlisted options | \$0.55         | Vesting upon company announcement that it has made a decision to proceed with mining tin in Tasmania | 18 months after vesting | 2,500,000         | 1                 |

### Twenty Largest Shareholders

The names of the twenty largest ordinary fully paid shareholders as at 20 September 2013 are as follows:

| Shareholder                              | Number      | % Held of Issued Ordinary Capital |
|------------------------------------------|-------------|-----------------------------------|
| HSBC Custody Nominees Australia Ltd      | 51,549,649  | 17.94%                            |
| Elphinstone Holdings Pty Ltd             | 19,354,838  | 6.74%                             |
| Merrill Lynch Australia Nominees Pty Ltd | 13,876,542  | 4.83%                             |
| Citicorp Nominees Pty Ltd                | 11,321,254  | 3.94%                             |
| Black Peak Holdings Pty Ltd              | 6,550,000   | 2.28%                             |
| J & J Bandy Nominees Pty Ltd             | 4,900,000   | 1.71%                             |
| JP Morgan Nominees Australia Ltd         | 3,967,575   | 1.38%                             |
| Keith Jenkins and Neville Houghton       | 2,900,000   | 1.01%                             |
| Onedin Enterprises Pty Ltd               | 2,666,665   | 0.93%                             |
| McTavish Industries Pty Ltd              | 2,000,000   | 0.70%                             |
| Escor Investments Pty Ltd                | 2,000,000   | 0.70%                             |
| Forsyth Barr Custodians Ltd              | 1,998,752   | 0.70%                             |
| Allied Strategic Resources Ltd           | 1,480,000   | 0.52%                             |
| National Nominees Ltd                    | 1,447,129   | 0.50%                             |
| Academic Growth Institute Fund           | 1,406,819   | 0.49%                             |
| Jameker Pty Ltd                          | 1,400,000   | 0.49%                             |
| Kingsford Investments Pty Ltd            | 1,333,333   | 0.46%                             |
| Berpaid Pty Ltd                          | 1,300,000   | 0.45%                             |
| Crandell Pty Ltd                         | 1,280,000   | 0.45%                             |
| HSBC Custody Nominees Australia Ltd      | 1,180,776   | 0.41%                             |
|                                          | 133,913,332 | 46.63%                            |



## Corporate Governance

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations. The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines. As consistency with the guidelines has been a gradual process, where the Company did not have certain policies or committees recommended by the ASX Corporate Governance Council (the Council) in place during the reporting period, we have identified such policies or committees.

Where the Company's corporate governance practices do not correlate with the practices recommended by the Council, the Company is working towards compliance however it does not consider that all the practices are appropriate for the Company due to the size and scale of Company operations.

To illustrate where the Company has addressed each of the Council's recommendations, the following table cross-references each recommendation with sections of this report. The table does not provide the full text of each recommendation but rather the topic covered.

| Recommendation                                                       | Section                                             |
|----------------------------------------------------------------------|-----------------------------------------------------|
| Recommendation 1.1 Functions of the Board and Management             | 1.1                                                 |
| Recommendation 1.2 Evaluation of Board, Directors and Key Executives | 1.4.10                                              |
| Recommendation 1.3 Reporting on Principle 1                          | 1.1 and 1.4.10                                      |
| Recommendation 2.1 Independent Directors                             | 1.2 and 1.3                                         |
| Recommendation 2.2 Independent Chairman                              | 1.2 and 1.3                                         |
| Recommendation 2.3 Role of the Chairman and CEO                      | 1.2 and 1.3                                         |
| Recommendation 2.4 Establishment of Nomination Committee             | 2.3                                                 |
| Recommendation 2.5 Evaluation of Board, Committees and Directors     | 1.4.10                                              |
| Recommendation 2.6 Reporting on Principle 2                          | 1.2, 1.4.6, 1.4.10, 2.3.1 and the Directors' Report |
| Recommendation 3.1 Code of Conduct                                   | 1.1 and 4                                           |
| Recommendation 3.2 Diversity Policy                                  | 3.2                                                 |
| Recommendation 3.3 Measurable Objectives for Gender Diversity        | 3.3                                                 |
| Recommendation 3.4 Disclosure of Diversity                           | 3.4                                                 |
| Recommendation 3.5 Reporting on Principle 3                          | 3.2, 3.3 and 3.4                                    |
| Recommendation 4.1 Establishment of Audit Committee                  | 2.1                                                 |
| Recommendation 4.2 Structure of Audit Committee                      | 2.1.2                                               |
| Recommendation 4.3 Audit Committee Charter                           | 2.1                                                 |
| Recommendation 4.4 Reporting on Principle 4                          | 2.1 and 2.1.2                                       |
| Recommendation 5.1 Policy for Compliance with Continuous Disclosure  | 1.4.4                                               |
| Recommendation 5.2 Reporting on Principle 5                          | 1.4.4                                               |
| Recommendation 6.1 Communications Strategy                           | 1.4.8                                               |
| Recommendation 6.2 Reporting on Principle 6                          | 1.4.8                                               |
| Recommendation 7.1 Policies on Risk Oversight and Management         | 2.1.3                                               |
| Recommendation 7.2 Managing and Implementing Risk Management         | 2.1.3                                               |
| Recommendation 7.3 Attestations by CEO and CFO                       | 2.1.3                                               |
| Recommendation 7.4 Reporting on Principle 7                          | 2.1.3                                               |
| Recommendation 8.1 Establishment of Remuneration Committee           | 2.2                                                 |
| Recommendation 8.2 Executive and Non-Executive Director Remuneration | 2.2.3.1 and 2.2.3.2                                 |
| Recommendation 8.3 Reporting on Principle 8                          | 1.2, 2.2.1 and 2.2.3.2                              |

## 1.1 Role of the Board

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company.

To assist the Board carry out its functions, it has developed a Code of Conduct to guide the Directors, the Chief Executive Officer, the Chief Financial Officer and other key executives in the performance of their roles. A copy is available for inspection on the Company's website.

## 1.2 Composition of the Board

To add value to the Company the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given its current size and scale of operations. The names of the Directors and their qualifications and experience are stated in the Directors' Report along with the term of office held by each of the Directors. Directors are appointed based on the specific skills required by the Company and on their decision-making and judgment skills.

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. Mr M Ashton, Mr B McFadzean and Mr John Jetter are Non-Executive Directors, and are independent directors as they meet the following criteria for independence adopted by the Company.

An Independent Director is a Non-Executive Director and:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member. Or an employee materially associated with the service provided;
- is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company or other group member other than as a Director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Material is defined as being where the relationship accounts for more than two per cent of consolidated gross expenditure per annum of the Company.

Mr B McFadzean is a Non-Executive Director of the Company and meets the Company's criteria for independence. His experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board.

Mr J Jetter is a Non-Executive Director of the Company and meets the Company's criteria for independence. His experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board.

Mr M Ashton is the Non-Executive Chairman of the Company and meets the Company's criteria for independence. His experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board.

Mr H Halliday is an Executive Director of the Company and does not meet the Company's criteria for independence. However, his experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board.

Mr A Radonjic is an Executive Director of the Company and does not meet the Company's criteria for independence. However, his experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board.

### 1.3 Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following. Leadership of the Organisation: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board.

- Strategy Formulation: to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.
- Overseeing Planning Activities: the development of the Company's strategic plan.
- Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.
- Monitoring, Compliance and Risk Management: the development of the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company.
- Company Finances: approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting.
- Human Resources: appointing, and, where appropriate, removing the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) as well as reviewing the performance of the CEO and monitoring the performance of senior management in their implementation of the Company's strategy.
- Ensuring the Health, Safety and Well-Being of Employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.
- Delegation of Authority: delegating appropriate powers to the CEO to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board.

Full details of the Board's role and responsibilities are contained in the Board Charter, a copy of which is available for inspection on the Company's website.

### 1.4 Board Policies

#### 1.4.1 Conflicts of Interest

Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the Corporations Act, absent himself or herself from the room when discussion and/or voting occurs on matters about which the conflict relates.

#### 1.4.2 Commitments

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

#### 1.4.3 Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

#### 1.4.4 Continuous Disclosure

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information: concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and

- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

The Company has a Continuous Disclosure Policy which is available for inspection on the Company's website.

#### 1.4.5 Education and Induction

It is the policy of the Company that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors include:

- details of the roles and responsibilities of a Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- access to a copy of the Board Charter;
- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board;
- background information on and contact information for key people in the organisation;
- an analysis of the Company;
- a synopsis of the current strategic direction of the Company; and
- a copy of the Constitution of the Company.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

#### 1.4.6 Independent Professional Advice

The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

#### 1.4.7 Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

#### 1.4.8 Shareholder Communication

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Company; and
- requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company. The Company has a Shareholder Communication Policy which is available for inspection on the Company's website.

#### 1.4.9 Trading in Company Shares

The Company has had a formal Share Trading Policy in place since September 2006 and was recently updated in December 2010. A copy of the policy is available for inspection on the Company's website.

#### 1.4.10 Performance Review/Evaluation

It is the policy of the Board to conduct annual evaluations of its effectiveness and that of individual Directors. Each Directors performance is appraised personally by the Chairman and in a meeting led by the other independent Director, the Chairman's performance is assessed.

The evaluation process in the current year was overseen by the Chairman. The evaluation process of the Chairman was led by another independent Director in conjunction with the Managing Director. The objective of this evaluation is to provide best practice corporate governance to the Company.

## 2. Board Committees

### 2.1 Audit and Risk Management Committee

Due to the size and scale of operations of the Company the full Board undertakes the role of the Audit and Risk Management Committee. As the full Board undertakes the role of the Audit and Risk Management Committee, no formal Charter has been adopted however below is a summary of the role and responsibilities of an Audit and Risk Management Committee.

### **2.1.1 Role**

The Audit and Risk Management Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors.

As the whole Board only consists of five (5) members, the Company does not have an audit committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues and an audit and risk management committee cannot be justified based on a cost-benefit analysis. However, in accordance with the ASX Listing Rules, the Company is moving towards establishing an audit and risk management committee consisting primarily of Independent Directors.

In the absence of an audit and risk management committee, the Board sets aside time to deal with issues and responsibilities usually delegated to the audit committee to ensure the integrity of the financial statements of the Company and the independence of the external auditor.

### **2.1.2 Responsibilities**

The Audit and Risk Management Committee reviews the audited annual and half-yearly financial statements and any reports which accompany published financial statements and recommends their approval to the members.

The Audit and Risk Management Committee each year reviews the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.

The Audit and Risk Management Committee or is also responsible for establishing policies on risk oversight and management.

### **2.1.3 Risk Management Policies**

The Board's Charter clearly establishes that it is responsible for ensuring there is a good sound system for overseeing and managing risk. Due to the size and scale of operations, risk management issues are considered by the Board as a whole.

A risk management plan has been developed and implemented by Venture. The plan provides a framework for systematically understanding and identifying the types of business risks threatening Venture as whole and specific business activities within the Company. A risk register has been developed through the implementation and review of the risk management plan which has identified material business risk of the Company. The risk register also provides the controls in place to mitigate the material business risks and management's assessment of residual risk.

The board believes that it has a thorough understanding of the Company's key risks and is managing them appropriately. The board is responsible for reviewing annually its risk management system. This includes reviewing operational, financial, compliance, systems and risk management procedures.

The Company's risk management plan was reviewed by management during the period and is considered appropriate for the Company in its current exploration and feasibility stage. The Company is currently implementing a more comprehensive risk management system as the Company is now transitioning from exploration into project development. The implementation of the updated risk management system is expected to be implemented prior to development.

A copy of the company's risk management statement is available from the corporate governance section of the company's website.

On 30 September 2013 Mr Hamish Halliday (Managing Director) and Mr Jon Grygorcewicz (Company Secretary & Chief Financial Officer) provided the Board with a declaration in accordance with S295A of the Corporations Act that the financial statements are founded on a sound system of risk management and internal compliance. Their statement assured the Board that the risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

## **2.2 Remuneration Committee**

### **2.2.1 Role**

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

As the whole Board only consists of five (5) members, the Company does not have a remuneration committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues. As the full Board undertakes the role of the Remuneration Committee, no formal Charter has been adopted however below is a summary of the role and responsibilities of a Remuneration Committee.

## **2.2.2 Responsibilities**

The responsibilities of a Remuneration Committee, or the full Board include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the Managing Director, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both Executive and Non-Executive Directors and making recommendations on any proposed changes and undertaking reviews of the Managing Director performance, including, setting with the Managing Director goals and reviewing progress in achieving those goals.

## **2.2.3 Remuneration Policy**

Directors' Remuneration was approved by resolution of the Board on 25 May 2010.

### **2.2.3.1 Senior Executive Remuneration Policy**

The Company is committed to remunerating its senior executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders. Consequently, under the Senior Executive Remuneration Policy the remuneration of senior executive may be comprised of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- a performance bonus designed to reward actual achievement by the individual of performance objectives and for materially improved Company performance;
- participation in any share/option scheme with thresholds approved by shareholders;
- statutory superannuation.

By remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration the Company aims to align the interests of senior executives with those of shareholders and increase Company performance.

The value of shares and options were they to be granted to senior executives would be calculated using the Black and Scholes method.

The objective behind using this remuneration structure is to drive improved Company performance and thereby increase shareholder value as well as aligning the interests of executives and shareholders.

The Board may use its discretion with respect to the payment of bonuses, stock options and other incentive payments.

### **2.2.3.2 Non-Executive Director Remuneration Policy**

Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors do not receive performance based bonuses however they do participate in option schemes. Non-Executive Directors are entitled to but not necessarily paid statutory superannuation. Non-Executive Directors are not provided with any retirement benefits other than superannuation.

### **2.2.4 Current Director Remuneration**

Full details regarding the remuneration of Directors, is included in the Directors' Report.

## **2.3 Nomination Committee**

### **2.3.1 Role**

The role of a Nomination Committee is to help achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills and diversity are present in Directors on the Board at all times. The company has adopted a Nomination Committee Charter and a Diversity Policy which is available for inspection on the company's website.

As the whole Board only consists of five (5) members, the Company does not have a nomination committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

### **2.3.2 Responsibilities**

The responsibilities of a Nomination Committee would include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. The Nomination Committee would also oversee management succession plans including the CEO and his/her direct reports and evaluate the Board's performance and make recommendations for the appointment and removal of Directors. Currently the Board as a whole performs this role.



### **2.3.3 Criteria for selection of Directors**

Directors are appointed based on the specific governance skills required by the Company and ensuring an appropriate mix of skills and diversity are present. Given the size of the Company and the business that it operates, the Company aims at all times to have at least one Director with experience appropriate to the Company's target market. In addition, Directors should have the relevant blend of personal experience in accounting and financial management and Director-level business experience.

## **3. Diversity**

### **3.1 Diversity and inclusion**

Venture and all its related bodies corporate are committed to workplace diversity in relation to genders, age, ethnicity and cultural background. The Company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

### **3.2 Diversity Policy**

The Company has developed a Diversity Policy during the current period which was formally adopted in June 2012. A copy of the policy is available for inspection on the Company's website.

### **3.3 Measurable Objectives for Gender Diversity**

Due to the size and nature of the company's operations, Venture has yet to establish measurable objectives for gender diversity.

### **3.4 Proportion of women employees and board members**

As at 30 June 2013, the proportion of women on the Board and in senior management positions was nil. The proportion of women in our overall workforce was 22% (2012: 10%).

## **4. Company Code of Conduct**

The Board has decided against the implementation of a code of conduct as it does not believe that it is in the best interests of its employees or other stakeholders to have what purports to be an exhaustive code of conduct. The Board feels that such a code may be too prescriptive and not allow the employees the discretion they need to best serve the Company's stakeholders.

## Schedule of Tenements

As at 30 September 2013

| Project             | Tenement  | Interest | Status      |
|---------------------|-----------|----------|-------------|
| Paulsens South      | E08/1457  | 100%     | Granted     |
|                     | E47/1765  | 100%     | Granted     |
| Harris Bluff        | EL4788    | 51%      | Granted     |
| Mount Lindsay       | 3M/2012   | 100%     | Granted     |
|                     | 5M/2012   | 100%     | Granted     |
|                     | EL21/2005 | 100%     | Granted     |
|                     | EL33/2007 | 100%     | Granted     |
|                     | EL24/2008 | 100%     | Granted     |
|                     | EL31/2003 | 78%      | Granted     |
|                     | EL36/2003 | 78%      | Granted     |
|                     | EL45/2010 | 100%     | Granted     |
|                     | EL17/2012 | 100%     | Granted     |
|                     | EL18/2012 | 100%     | Granted     |
|                     | EL72/2007 | 100%     | Granted     |
|                     | EL23/2012 | 100%     | Granted     |
| Thailand – Sangkhom | 7M/2012   |          | Application |
|                     | Block 1   |          | Application |
|                     | Block 2   |          | Application |

### Notes

E: Exploration Licence

EL: Exploration Licence

M: Mining Lease