



Venus Metals Corporation Limited

ABN 99 123 250 582

HALF-YEAR FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

VENUS METALS CORPORATION LIMITED

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VENUS METALS CORPORATION LIMITED

CORPORATE INFORMATION

Directors

Terence William Hogan	OAM	-Non Executive Chairman
Matthew Vernon Hogan		-Managing Director
Selvakumar Arunachalam		-Executive Director

Company Secretary

Matthew Vernon Hogan

Registered Office & Principal Place of Business

Mezzanine Level
BGC Centre
28 The Esplanade
PERTH WA 6000

Telephone: +61 8 9321 7541
Facsimile: +61 8 9486 9587

Email: info@venusmetals.com.au

Solicitors

Gilbert + Tobin
1202 Hay Street
WEST PERTH WA 6005

Auditors

Stantons International
Level 2, 1 Walker Avenue
WEST PERTH WA 6005

Share Registry

Security Transfer Registrars Pty Ltd
Suite 1, 770 Canning Highway
APPLECROSS WA 6153

Australian Securities Exchange

Level 40, Central Park
152-158 St George's Terrace
PERTH WA 6000

ASX Code: VMC

Website

www.venusmetals.com.au

VENUS METALS CORPORATION LIMITED

DIRECTORS' REPORT

Your Directors present their report for the half-year ended 31 December 2015.

DIRECTORS

The names of Directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Mr Terence William Hogan OAM
Mr Matthew Vernon Hogan
Mr Selvakumar Arunachalam

RESULT OF OPERATIONS

The net loss of the Company for the six months to 31 December 2015 is \$547,053 (31 December 2014: \$978,580).

REVIEW OF OPERATIONS

During the period, the Company continued its exploration activities in Western Australia.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes have occurred in the state of affairs of the Company during the half year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration for the half year ended 31 December 2015 as required under Section 307C of the Corporations Act 2001 is set out on page 13.

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



MV Hogan
Managing Director

Perth, 23 February 2016

VENUS METALS CORPORATION LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Note	6 months to 31 Dec 15 \$	6 months to 31 Dec 14 \$
Revenue	2	220,614	158,952
Administration expense		(462,976)	(413,052)
Exploration expense		(296,452)	(566,468)
Depreciation and amortisation expense		(8,239)	(13,733)
Share based payments		-	(131,779)
Investment impairment expense		-	(12,500)
Loss before income taxes		(547,053)	(978,580)
Income tax benefit		-	-
Loss for the half year		(547,053)	(978,580)
Other comprehensive income		-	-
Income tax on other comprehensive income		-	-
Total other comprehensive income		-	-
Total comprehensive loss for the period		(547,053)	(978,580)
Net loss attributable to:			
Owners of the Company		(547,053)	(978,580)
Non-controlling interests		-	-
Net loss for the period		(547,053)	(978,580)
Total comprehensive loss attributable to:			
Owners of the Company		(547,053)	(978,580)
Non-controlling interests		-	-
Total comprehensive loss for the period		(547,053)	(978,580)
Earnings per share			
Basic loss per share		(0.010)	(0.018)
Diluted loss per share		(0.010)	(0.018)

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

VENUS METALS CORPORATION LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	As at 31 Dec 15 \$	As at 30 Jun 15 \$
CURRENT ASSETS			
Cash and cash equivalents	3	230,166	700,705
Trade and other receivables	4	28,449	50,874
Prepayments		33,806	10,686
TOTAL CURRENT ASSETS		292,421	762,265
NON-CURRENT ASSETS			
Property, plant and equipment		73,128	85,581
Acquisition costs capitalised		1,361,770	1,361,770
Other non-current financial assets		-	33,000
TOTAL NON-CURRENT ASSETS		1,434,898	1,480,351
TOTAL ASSETS		1,727,319	2,242,616
CURRENT LIABILITIES			
Trade and other payables		149,537	130,777
Employee benefits		52,240	39,701
Other current liabilities		38,594	42,808
TOTAL CURRENT LIABILITIES		240,371	213,286
TOTAL LIABILITIES		240,371	213,286
NET ASSETS		1,486,948	2,029,330
EQUITY			
Issued capital	5	18,954,788	18,954,788
Reserves		2,777,665	2,772,994
Accumulated losses		(20,245,505)	(19,698,452)
TOTAL EQUITY		1,486,948	2,029,330

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

VENUS METALS CORPORATION LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Share Capital	Share Options Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
As at 1 July 2015	18,954,788	2,772,994	(19,698,452)	2,029,330
Total comprehensive income for the period				
Loss for the period	-	-	(547,053)	(547,053)
<i>Other comprehensive income</i>				
Total other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(547,053)	(547,053)
Transactions with owners recorded directly into equity				
<i>Contributions by and distributions to owners</i>				
Issue of ordinary shares net of capital raising costs	-	-	-	-
Over accrual of capital raising costs	-	4,671	-	4,671
Issue of options	-	-	-	-
Balance at 31 December 2015	18,954,788	2,777,665	(20,245,505)	1,486,948

	Share Capital	Share Options Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
As at 1 July 2014	17,667,556	2,468,033	(18,130,161)	2,005,428
Total comprehensive income for the period				
Loss for the period	-	-	(978,580)	(978,580)
<i>Other comprehensive income</i>				
Total other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(978,580)	(978,580)
Transactions with owners recorded directly into equity				
<i>Contributions by and distributions to owners</i>				
Issue of ordinary shares net of capital raising costs	1,107,232	-	-	1,107,232
Share-based payment transactions	-	131,779	-	131,779
Issue of options	-	2,200	-	2,200
Balance at 31 December 2014	18,774,788	2,602,012	(19,108,741)	2,268,059

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

VENUS METALS CORPORATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	6 months to 31 Dec 15 \$	6 months to 31 Dec 14 \$
Note		
Cash flows from operating activities		
Interest received	3,261	14,268
Payments to suppliers and employees	(390,115)	(290,448)
Exploration expenditure	(296,453)	(553,604)
Research and development tax offset	217,857	144,684
Net cash flows used in operating activities	(465,450)	(685,100)
Cash flows from investing activities		
Payments for plant and equipment	-	-
Net cash flows used in investing activities	-	-
Cash flows from financing activities		
Proceeds from issue of options	-	2,200
Proceeds from issue of shares net of capital raising cost	-	1,107,232
Transaction costs	(5,089)	-
Net cash flows (used in)/from financing activities	(5,089)	1,109,432
Net increase/(decrease) in cash and cash equivalents	(470,539)	424,332
Cash and cash equivalents at beginning of financial period	700,705	590,274
Cash and cash equivalents at end of financial period	230,166	1,014,606

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

VENUS METALS CORPORATION LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 1: Summary of Significant Accounting Policies

a) Basis of Preparation

Reporting entity

Venus Metals Corporation Limited (the "Company") is a company domiciled in Australia. The financial statements of the Company for the half-year ended 31 December 2015 comprise the Company. The Company primarily is involved in exploration for base metals, diamonds, gold and other minerals.

The annual financial report of the Company for the year ended 30 June 2015 is available upon request from the Company's registered office at Level M, 28 The Esplanade, Perth 6000, Western Australia or from the Company's website at www.venusmetals.com.au.

Statement of compliance

The financial statements are prepared on a going concern basis in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reports* and the *Corporations Act 2001*. The Board considers that the Company has sufficient cash resources to meet all operating costs for at least the next twelve months from the date of this report.

It is recommended that the half-year financial statements be read in conjunction with the annual report for the year ended 30 June 2015 and considered with any public announcements made by the Company during the half-year ended 31 December 2015 in accordance with continuous disclosure obligations of the ASX Listing Rules.

The half-year financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 30 June 2015.

The half-year financial statements have been prepared on accrual basis and on a historical cost basis, except as modified by certain financial assets carried at fair value.

The Company is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial statements have been rounded off in accordance with the Class Order rounded off to the nearest dollar. Amounts are in Australian dollars.

Going concern

The financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation and extinguishment of liabilities in the ordinary courses of business. For the half year ended 31 December 2015 the Company incurred a loss of \$547,053 (31 December 2014: loss \$978,580) and had working capital of \$52,050 (30 June 2015: \$548,979). Based upon the Company's existing cash resources of \$230,166 (30 June 2015: \$700,705), the ability to modify expenditure outlays if required, and to source additional funds, the Directors consider 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 therefore the going concern basis of preparation is considered to be appropriate for the Company's 31 December 2015 half year financial report. The Board of Directors is aware, having prepared a cashflow forecast, of the Company's working capital requirements and the need to access additional equity funding or asset divestment if required within the next 12 months. In the event that the Company is not able to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the normal course of business and perhaps at amounts different to those stated in its financial report.

VENUS METALS CORPORATION LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 1: Summary of Significant Accounting Policies (continued)

a) Basis of Preparation (continued)

The accounting policies applied by the Company in this financial statements are consistent with those applied by the Company in its annual financial report for the year ended 30 June 2015.

b) Accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. The Company has considered the implications of new and amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

Note 2: Revenue

	6 months to 31 Dec 15 \$	6 months to 31 Dec 14 \$
Interest income	2,757	14,268
Research and development tax offset	217,857	144,684
	<u>220,614</u>	<u>158,952</u>

Note 3: Cash and cash equivalents

	31 Dec 15 \$	30 June 15 \$
Cash at bank and on hand	230,166	700,705
	<u>230,166</u>	<u>700,705</u>

Note 4: Trade and other receivables

	31 Dec 15 \$	30 June 15 \$
Receivables from joint venture	10,926	24,041
Other receivables	17,523	26,833
	<u>28,449</u>	<u>50,874</u>

VENUS METALS CORPORATION LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 5: Issued capital

	31 Dec 15 \$	30 Jun 15 \$
50,582,123 fully paid ordinary shares	18,954,788	17,667,556
5,385,000 fully paid ordinary shares	-	1,184,700
900,000 fully paid ordinary shares	-	180,000
Transaction costs relating to share issues	-	(77,468)
	18,954,788	18,954,788

(a) Ordinary shares

	31 Dec 15 \$	30 Jun 15 \$
At the beginning of reporting period	18,954,788	17,667,556
Shares issued during the period	-	1,364,700
Transaction costs during the period	-	(77,468)
At reporting date	18,954,788	18,954,788

(b) Ordinary shares

	31 Dec 15 No.	30 Jun 15 No.
At the beginning of reporting period	56,867,123	50,582,123
Shares issued during the period	-	6,285,000
At reporting date	56,867,123	56,867,123

Note 6: Segment reporting

The Company operates predominantly in the mineral exploration industry in Australia. For management purposes, the Company is organised into one main operating segment which involves the exploration of minerals in Australia. All of the Company activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

Note 7: Contingent liabilities

(a) Royalties payable under the Yalgoo tenements:

On 15 August 2008 the Company entered into a contract with Messrs Parry, Hill and Asphar to acquire the Yalgoo tenements and one of the terms of the contract is to pay royalties as follows:

- (i) a royalty of 1.25% of the FOB price of all iron ore mined, processed and sold from the tenements; and
- (ii) a royalty of 1.25% of the Net Smelter Return* from all other base and precious metals mined, processed and sold from the tenements.

*Net Smelter Return means the gross sales revenue received by the Company from the sale of base and precious metals produced from the tenements subject to all usual discounts and less the costs, expenses and liabilities incurred in connection with the smelting, refining, transporting, handling and storing the base and precious metals.

There are no other contingent liabilities that require disclosure.

VENUS METALS CORPORATION LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 8: Events subsequent to reporting date

The Directors Salary's from 1 January 2016 to 30 June 2016 had been reduced to the following:

- Matt Hogan \$280,000 has been reduced to \$200,000 plus superannuation
- Kumar Arunchalam \$140,000 has been reduced to \$100,000 plus superannuation
- Terence Hogan \$40,000 has been reduced to \$30,000 plus superannuation

The Company will review the salaries again in six months' time.

On the 29th of January 2016 459,500 options were exercised raising \$91,900. In addition there are 31,831,561 listed options with an exercise price of \$0.20 which expire on November 2016. The Company may be able to raise \$6,366,312 if all the options are exercised.

Apart from the above there has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the Company's operations, the results of those operations, or the state of affairs of the Company, in future financial periods.

VENUS METALS CORPORATION LIMITED

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the condensed financial statements and notes as set out on pages 4 to 11 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2015 and the performance for the half-year ended on that date of the entity; and
2. in the Directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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



.....
MV Hogan
Managing Director

Perth, 23 February 2015

23 February 2016

Board of Directors
Venus Metal Corporation Limited
Mezzanine Level, BCG Centre,
28 The Esplanade,
PERTH WA 6000

Dear Sirs

RE: VENUS METALS CORPORATION 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 Venus Metals Corporation Limited.

As Review Director for the review of the financial statements of Venus Metals Corporation Limited for the period ended 31 December 2015, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

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



Samir R Tirodkar
Director

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
VENUS METALS CORPORATION LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Venus Metals Corporation Limited, which comprises the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Venus Metals Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Venus Metals Corporation Limited on 23 February 2016.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Venus Metals Corporation Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of Matter Regarding Going Concern and Carrying Values of Non-Current Assets

Without qualification to the review conclusion expressed above, attention is drawn to the following matters:

As referred to in Note 1 to the financial statements, the financial statements have been prepared on the going concern basis. At 31 December 2015, the entity had working capital of \$52,050, cash and cash equivalents of \$230,166 and had incurred a loss for the half year amounting to \$547,053. The ability of the Company to continue as a going concern is subject to successful recapitalisation of the Company. In the event that the Board is not successful in recapitalising the Company and in raising further funds, the Company may not be able to meet its liabilities as they fall due and the realisable value of the Company's non-current assets may be significantly less than book values.

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

Stantons International



Samir R Tirodkar
Director

West Perth, Western Australia
23 February 2016