



**VENTURE**

MINERALS

**Annual Report**  
**30 June 2019**

ABN 51 119 678 385

**Non-Executive Chairman**

Mel Ashton

**Managing Director**

Andrew Radonjic

**Non-Executive Directors**

Hamish Halliday

John Jetter

**Company Secretary**

Jamie Byrde

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**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 present to shareholders the Company's annual report for the year ended 30 June 2019.

In the second half of the year, with the strengthening in the Iron Ore markets, Board and Management decided to revisit its previously shelved Iron Ore project in Tasmania through an updated Pre-Feasibility Study which was commissioned in May 2019.

Venture has been focused on achieving key milestones towards re-commencing the Riley Iron Ore Project in a relatively short timeframe. This included signing an Off-take Agreement with a Tier One off-take partner in Prosperity Steel.

The company recently completed a successful capital raising of \$5.7 million which afforded the opportunity to our shareholders to participate in raise and we would like to thank our new and existing shareholders for their support in providing funding towards recommencing mining in Tasmania.

Following the capital raising, Venture finalised its feasibility in August 2019 and the Board made a decision to recommence mining. As announced to shareholders on the 22<sup>nd</sup> August 2019, the Riley Iron Ore Mining Study delivered strong returns from low capex and an IRR of 303%. We acknowledge the Iron Ore price is subject to volatility and will continue to watch the markets in great detail.

Since releasing the updated study, key appointments have been made including a highly experience General Manager of Operations to guide the company as it transitions through to development and into production and will ensure our safety and environmental standards are exceeded.

The Company remains positive about the outlook for the current year and is excited about advancing the Riley Iron Ore Project and is looking forward to unlocking value through mining, whilst continuing to review its flagship t Mount Lindsay Tin-Tungsten project and explore its other prospects in Western Australia.

I would like to thank the Board and Management team for their support in what has been an extremely busy year. I thank our staff who have continued to strive towards achieving our goal of progressing towards becoming a mining company, and our shareholders for continued belief and support in Venture Minerals through this growth phase of our company.



**Mel Ashton**  
Chairman

The Directors of Venture Minerals Limited submit herewith the consolidated financial statements of the Company and its controlled entities ("Group" or "Consolidated Entity") for the financial year ended 30 June 2019 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 Andrew Radonjic | Managing Director      |
| Mr Hamish Halliday | 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. Subsequent to year end, the Board made a commitment to recommence mining at its Riley Project, Tasmania.

## 3. Group Financial Overview

### Profit and Loss

The loss attributable to owners of the consolidated entity after providing for income tax amounted to \$2,983,022 which includes a loss from discontinued operation of \$147,252 (2018: \$3,511,165 from continuing operations).

### Financial Position

The consolidated entity had \$4,688,027 in cash and cash equivalents as at 30 June 2019 (2018: \$2,308,957).

## 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 Limited is focused upon the exploration and development of mineral resources within its current portfolio of projects in Tasmania and Western Australia.

Venture's strategy and key focus is to recommence its Riley Iron Ore Mine following the release of the Updated Study in August 2019 and a decision by the Board to recommence mining.

Venture is focussed on delivery its first shipment of Iron Ore under its Offtake Agreement with Prosperity Steel by Quarter 4 of calendar year 2019.

With the focus now on Riley, Venture has put on hold its underground scoping study on the high-grade portion of the tin-tungsten resource at the Mount Lindsay Project. Venture hopes to recommence the study during the year which will determine Venture's strategy on the asset going forward.

Material business risks that may impact the results of future operations include future commodity prices, exchange rate fluctuations, further exploration results and funding.

## 6. Significant Changes in the State of Affairs

During the year the company deregistered its Thailand subsidiary and discontinued operations.

On 18 July 2018, a placement to Sophisticated Investors was completed raising \$739,585 before costs through the issue of 24,652,832 shares at an offer price of \$0.03.

On 31 May 2019, a placement to Sophisticated Investors was completed raising \$1,561,836 before costs through the issue of 78,091,800 shares at an offer price of \$0.02 and the institutional entitlement offer was completed raising \$1,052,813 before costs through the issue of 52,640,639 shares at an offer price of \$0.02 under the prospectus dated 20 May 2019.

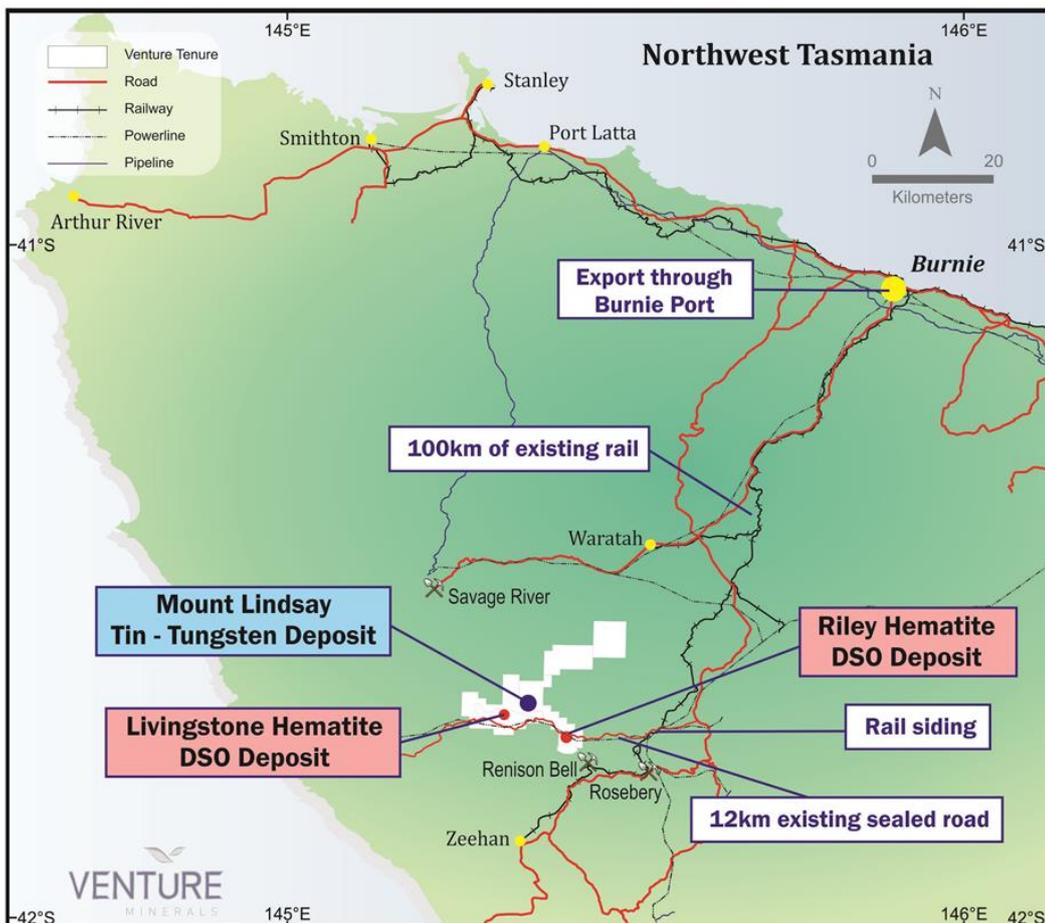
On 10 August 2018, the company issued 2,000,000 ordinary shares at \$0.025 to the Vendors of the Golden Grove North Project, taking the total cost of acquisition to \$25,000 cash and \$50,000 of equity, totalling \$75,000.

## 7. Review of Operations

### Riley Iron Ore Mine, North West Tasmania

The 100% owned Riley Iron Ore Mine (Riley DSO Hematite Project) is located 10 km from the Mount Lindsay Deposit (*Refer Figure One*) and occurs as a hematite rich pisolitic and cemented laterite. The deposit is all at surface, located less than 2 km from a sealed road that accesses existing rail and port facilities.

**Figure One | Location Map for Mount Lindsay Tin-Tungsten Deposit/Riley DSO Deposit/Livingstone DSO Deposit**



## 7. Review of Operations (continued)

**Table One | Resource Statement - Riley DSO Project**

| Resource  | Tonnes       | Fe (%)    | Fe (%)<br>Calcined | SiO <sub>2</sub> (%) | Al <sub>2</sub> O <sub>3</sub> (%) | P (%) | S (%) | LOI (%) |
|-----------|--------------|-----------|--------------------|----------------------|------------------------------------|-------|-------|---------|
| Indicated | <b>2.0mt</b> | <b>57</b> | 61                 | 3.3                  | 2.7                                | 0.03  | 0.08  | 7.9     |

*Note: Refer to ASX announcement on 19 June 2019.*

Following completion of the resource, Venture engaged independent mining engineers, Rock Team, to complete mining studies on the deposit and produce a reserve statement. With all the hematite resources at Riley located at or near surface, the study delivered a 90% conversion rate of resource to reserve under the JORC Code 2004, this was later upgraded to meet the guidelines of the JORC Code 2012 (*Refer Table Two*), resulting in an 80% conversion rate of resource to reserve.

**Table Two | Reserve Statement - Riley DSO Project**

| Reserve  | Tonnes       | Fe (%)    | Fe (%)<br>Calcined | SiO <sub>2</sub> (%) | Al <sub>2</sub> O <sub>3</sub> (%) | P (%) | S (%) | LOI (%) |
|----------|--------------|-----------|--------------------|----------------------|------------------------------------|-------|-------|---------|
| Probable | <b>1.6mt</b> | <b>57</b> | 61                 | 3.9                  | 2.8                                | 0.03  | 0.07  | 7.1     |

*Note: Refer to ASX announcement on 22 August 2019*

### Activities during the Year

During the year, the Company maintained its renewed focus towards recommencing mining at its Riley Iron Ore Mine following a sustained recovery in the iron ore price over the last 7 months.

Venture has had the Riley Iron Ore Mine on Care & Maintenance since August 2014 shortly after it suspended operations. The iron ore price used in the updated Mining Study is 30%\* higher in AUD terms than upon the closing of Riley. Since early last December, the 62% Fe price has risen by almost 40%\* in USD terms and with the recent events at Vales' mines in Brazil these price levels could be sustained for at least the near term.

Venture achieved its first major milestone towards recommencing the Riley Iron Ore Mine when it secured an off-take agreement with one of the largest iron ore traders in the world. The company has assembled a team of highly experienced mining professionals to work on updating the previous mining study so that a decision to recommence mining can be made at the earliest opportunity. This coincided with the award of preferred tenderer status to Shaw Contracting for major components of the project, as another key step towards recommencing mining. Shaw Contracting were the previous mining contractors appointed in 2014 when Riley first commenced mining (*Refer Figure Two*) before the mine was put on care and maintenance.

The Company has already completed extensive pre-production work at the Riley Project putting in place all the necessary requirements to commence mining; it is therefore, and has always been, a "quick to market" opportunity for the company.

Approximately 90% of the Equipment that was previously acquired is still on hand. Venture's investigations have identified that the remaining equipment required to facilitate recommencement of operations is readily available in the market and are not considered to be long lead-time items.

Given the very low strip ratio characteristics of the Riley DSO deposit, the Company is examining a range of scenarios to facilitate early stage production opportunities and will update the market further as these are completed.

\* Pricing comparisons were done on the 15th August 2019 when the 62% Fe price was US\$90.35 and the exchange rate was 0.68 for A\$132.87

## 7. Review of Operations (continued)

Figure Two: Previous mining activity at the Riley Iron Ore Project.



## 7. Review of Operations (continued)

### Highlights at the Riley DSO Hematite Project include:

- **Binding Terms Sheet signed for the Riley off-take** with Prosperity Steel United Singapore Pte Ltd, **one of the largest iron ore traders in the world** (Refer to ASX announcement 2 May 2019);
- Riley Iron Ore Mine is **situated on a granted mining lease** and is positioned to recommence operations within a very short period of time;
- Approximately **90% of the Equipment that was previously purchased is still on hand**;
- Riley has **Reserves of 1.6Mt @ 57% Fe with low impurities** (Refer Table Two);
- The **Riley DSO deposit is all at surface, located less than 2 km from a sealed road that accesses existing rail and port facilities** (Refer Figure One).

### Livingstone DSO Hematite Project, North West Tasmania

Located only 3.5 km from the Mount Lindsay Tin-Tungsten Deposit, is the 100% owned Livingstone DSO Hematite Deposit (Refer Figure One). Livingstone consists of an outcropping hematite cap overlaying a magnetite rich skarn. The hematite occurs from surface, is consistent in grade and located only 2 km 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 2011, which was followed by a positive and robust scoping study. Additional work later in 2011 included blending and sizing test work 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 (Refer Table Three).

**Table Three | Resource Statement Livingstone DSO Project**

| Resource  | Tonnes | Fe (%) | Fe (%) Calcined | SiO <sub>2</sub> (%) | Al <sub>2</sub> O <sub>3</sub> (%) | P (%) | S (%) | LOI (%) |
|-----------|--------|--------|-----------------|----------------------|------------------------------------|-------|-------|---------|
| Indicated | 2.4mt  | 57     | 61              | 5.4                  | 1.9                                | 0.07  | 0.05  | 7.0     |

Note: Refer to ASX announcement on 26 July 2012.

This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

### Activities during the Year

There was no field activity during the year.

## 7. Review of Operations (continued)

### Mount Lindsay Project, Tin-Tungsten, North West Tasmania

#### Introduction

The Mount Lindsay Project (148 km<sup>2</sup>) is located in north-western Tasmania (*Refer Figure One*) 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 >230kt of tin metal produced since 1968) and the Savage River Magnetite Mine (operating for >50 years, currently producing approximately 2.5 Mtpa of iron pellets). Mount Lindsay has excellent access to existing infrastructure including hydro-power, water, sealed roads, rail and port facilities.

Venture owns 100% of the tenure that hosts both the Mount Lindsay Tin-Tungsten Deposit and all of the surrounding prospects.

Since commencing exploration on the project in 2007, Venture has completed approximately 83,000m of diamond core drilling at Mount Lindsay and defined JORC compliant Measured, Indicated and Inferred Resources.

#### Tin-Tungsten Resources

Table Four | Resource Statement – Mount Lindsay Tin-Tungsten Project (as previously announced 17 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 WO <sub>3</sub> (mtu) |
|-----------------------|--------------|--------------|------------------|-------------|-----------------------------------|---|--------------|------------------------------|---------------------------------|
| 0.2%                  | Measured     | 8.1Mt        | 0.6%             | 0.2%        | 0.1%                              | 17%                                       | 0.1%         | 18,000                       | 1,100,000                       |
|                       | Indicated    | 17Mt         | 0.4%             | 0.2%        | 0.1%                              | 15%                                       | 0.1%         | 32,000                       | 1,200,000                       |
|                       | Inferred     | 20Mt         | 0.4%             | 0.2%        | 0.1%                              | 17%                                       | 0.1%         | 32,000                       | 960,000                         |
|                       | <b>TOTAL</b> | <b>45Mt</b>  | <b>0.4%</b>      | <b>0.2%</b> | <b>0.1%</b>                       | <b>17%</b>                                | <b>0.1%</b>  | <b>81,000</b>                | <b>3,200,000</b>                |
| 0.45%                 | Measured     | 4.3Mt        | 0.8%             | 0.3%        | 0.2%                              | 18%                                       | 0.1%         | 12,000                       | 980,000                         |
|                       | Indicated    | 5.2Mt        | 0.7%             | 0.3%        | 0.2%                              | 15%                                       | 0.1%         | 14,000                       | 810,000                         |
|                       | Inferred     | 3.9Mt        | 0.6%             | 0.3%        | 0.1%                              | 9%  | 0.1%         | 12,000                       | 520,000                         |
|                       | <b>TOTAL</b> | <b>13Mt</b>  | <b>0.7%</b>      | <b>0.3%</b> | <b>0.2%</b>                       | <b>14%</b>                                | <b>0.1%</b>  | <b>38,000</b>                | <b>2,300,000</b>                |
| 0.7%                  | Measured     | <b>2.2Mt</b> | 1.1%             | 0.3%        | 0.3%                              | 18%                                       | 0.1%         | <b>8,000</b>                 | <b>750,000</b>                  |
|                       | Indicated    | <b>1.9Mt</b> | 1.0%             | 0.4%        | 0.3%                              | 11%                                       | 0.1%         | <b>7,000</b>                 | <b>480,000</b>                  |
|                       | Inferred     | <b>0.6Mt</b> | 1.0%             | 0.5%        | 0.3%                              | 3%  | 0.1%         | <b>3,000</b>                 | <b>150,000</b>                  |
|                       | <b>TOTAL</b> | <b>4.7Mt</b> | <b>1.1%</b>      | <b>0.4%</b> | <b>0.3%</b>                       | <b>13%</b>                                | <b>0.1%</b>  | <b>18,000</b>                | <b>1,400,000</b>                |
| 1.0%                  | Measured     | <b>1.0Mt</b> | 1.5%             | 0.5%        | 0.5%                              | 19%                                       | 0.1%         | <b>5,000</b>                 | <b>450,000</b>                  |
|                       | Indicated    | <b>0.7Mt</b> | 1.3%             | 0.5%        | 0.3%                              | 10%                                       | 0.1%         | <b>4,000</b>                 | <b>220,000</b>                  |
|                       | Inferred     | <b>0.2Mt</b> | 1.4%             | 0.7%        | 0.3%                              | <1%                                       | <0.1%        | <b>2,000</b>                 | <b>70,000</b>                   |
|                       | <b>TOTAL</b> | <b>1.9Mt</b> | <b>1.4%</b>      | <b>0.5%</b> | <b>0.4%</b>                       | <b>14%</b>                                | <b>0.1%</b>  | <b>10,000</b>                | <b>750,000</b>                  |

**Note:** Reporting to two significant figures. Figures have been rounded and hence may not add up exactly to the given totals. Full details of the estimate are in the ASX release for the Quarterly Report on 17 October 2012. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

## 7. Review of Operations (continued)

### Notes:

- The Sn equivalent formula used to calculate the Sn equivalent values for the Main and No.2 Skarns is as follows:  $\text{Sn Equivalent (\%)} = \text{Sn\%} + (\text{WO}_3\% \times 1.90459) + (\text{mass recovery \% of magnetic Fe} \times 0.006510) + (\text{Cu\%} \times 0.28019)$ . Whereas for the Sn equivalent formula used to calculate the Sn equivalent values for the Stanley River South and Reward Skarns is as follows:  $\text{Sn Equivalent (\%)} = \text{Sn\%} + (\text{WO}_3\% \times 1.65217) + (\text{Cu\%} \times 0.34783)$ ;
- The mass recovery of the magnetic iron is determined mostly by Davis Tube Results (“DTR”);
- The Sn equivalent formula uses a tin metal price of US\$23,000/t, an APT (Ammonium Para Tungstate) price of US\$380/mtu (1mtu = 10kgs of  $\text{WO}_3$ ), a magnetite concentrate price of US\$110/t and a copper metal price of US\$8,000/t;
- Pilot scale metallurgical testwork has been completed on the Main and No.2 Skarns with results indicating the metallurgical recovery for tin is 72%, for  $\text{WO}_3$  is 83%, for iron in the form of magnetite is 98% and for copper is 58%. The results of this testwork are stated in the ASX release dated 31 August 2012;
- It is the Company’s opinion that the tin,  $\text{WO}_3$  and copper, as included in the metal equivalent calculations for the Stanley River South and Reward Skarns, have reasonable potential to be recovered for when the Mount Lindsay Project goes into production.

The resource base at Mount Lindsay is hosted within two magnetite rich skarns (Main Skarn and the No.2 Skarn) which extend over a total strike of 2.8 km and remain open at depth. Additional indicated and inferred resources have been defined at the Reward and Stanley River South Prospects, which extend over an additional 1.1 km of strike.

Recently, Venture has focused efforts at Mount Lindsay on identifying additional high-grade tin-tungsten targets, in close proximity to the Mount Lindsay Deposit. The low-cost exploration work is part of a broader strategy focused on identifying high grade mineralisation within trucking distance of the existing deposit that has the potential to further strengthen the economics of the Mount Lindsay Project.

### Activities during the Year

During the year, the tin price strengthened with the June Quarter featuring a robust Tin Price which sat around US\$20,000/t and is around US\$18,000/t\* (~A\$26,000/t) supporting the improved economic outlook for the Mount Lindsay Project. Tin is now recognised as a fundamental metal to the battery revolution (*Refer Figure Three*) and the International Tin Association is now predicting a surge in demand driven by the lithium-ion battery market of up to 60,000tpa by 2030 (world tin consumption was 363,500t in 2018\*\*). Last year the Company commissioned the Underground Scoping Study and will be looking to realise this potential by leveraging off the feasibility work previously completed. Work on the study is well advanced but recently it was put on hold and is looking to recommence the study during the coming year.

Venture is uniquely positioned, with Mount Lindsay being one of the largest undeveloped tin projects in the world, containing in excess of 80,000 tonnes of tin metal (*Refer Table Four*). In addition, the Mount Lindsay Project also hosts, within the same mineralised body, a globally significant tungsten resource containing 3,200,000 MTU (metric tonne units) of  $\text{WO}_3$  (*Refer Table Four*).

Venture has a large resource base to draw from and is looking at a number of strategies to optimise the higher-grade portions at Mount Lindsay, which previously reported resources included 4.7Mt @ 0.4% Sn & 0.3%  $\text{WO}_3$  (*Refer Table Four*).

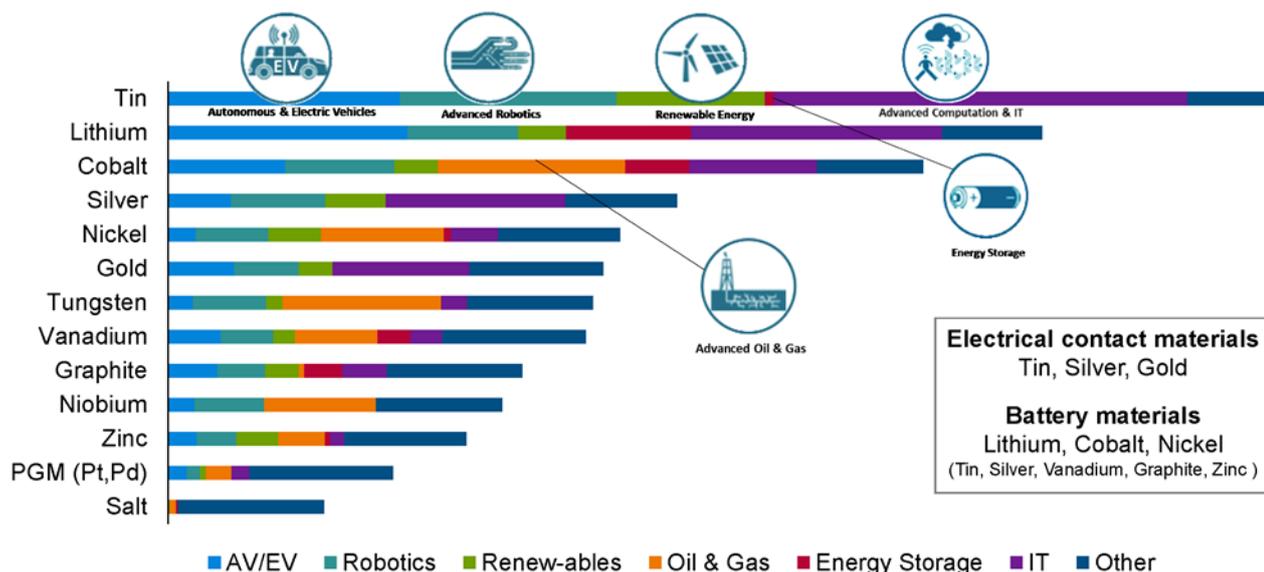
\* Tin Price sourced from LME website and is the quoted Bid Cash price as of the 15<sup>th</sup> July 2019.

\*\*DATA: International Tin Association, CRU, WBMS

## 7. Review of Operations (continued)

Figure Three | Metals most impacted by new technology

### Metals most impacted by new technology



RioTinto Source: MIT

7 | © Rio Tinto 2018

\*DATA: International Tin Association, CRU, WBMS

#### Mount Lindsay Tin-Tungsten Project Highlights Include:

- Approximately 83,000m of diamond core drilling has been completed on the project by Venture most of which has been used to define JORC compliant resources with **+60% in the Measured & Indicated categories**;
- Feasibility Study completed with comprehensive metallurgical test-work and post-feasibility delivered a very **high grade 75% tin concentrate** result that is likely attract price premiums;
- Tin is at ~US\$18,000/t** and has increased by 35% since January 2016;
- Tungsten's APT price is at ~US\$230/mtu** has increased by 35% since February 2016;
- Several High-Grade Targets with drill results to follow up including Big Wilson with **17.4m @ 2% tin** (Refer Figure Two and to ASX Announcement 2 August 2012).

Venture has successfully defined eight new targets considered prospective for high grade tin-tungsten mineralisation as well as targets prospective for copper and nickel mineralisation (Refer Figure Four). These targets are hosted within the broader skarn units identified throughout the Mount Lindsay area of which, to date, only 10% have been drill tested.

## 7. Review of Operations (continued)

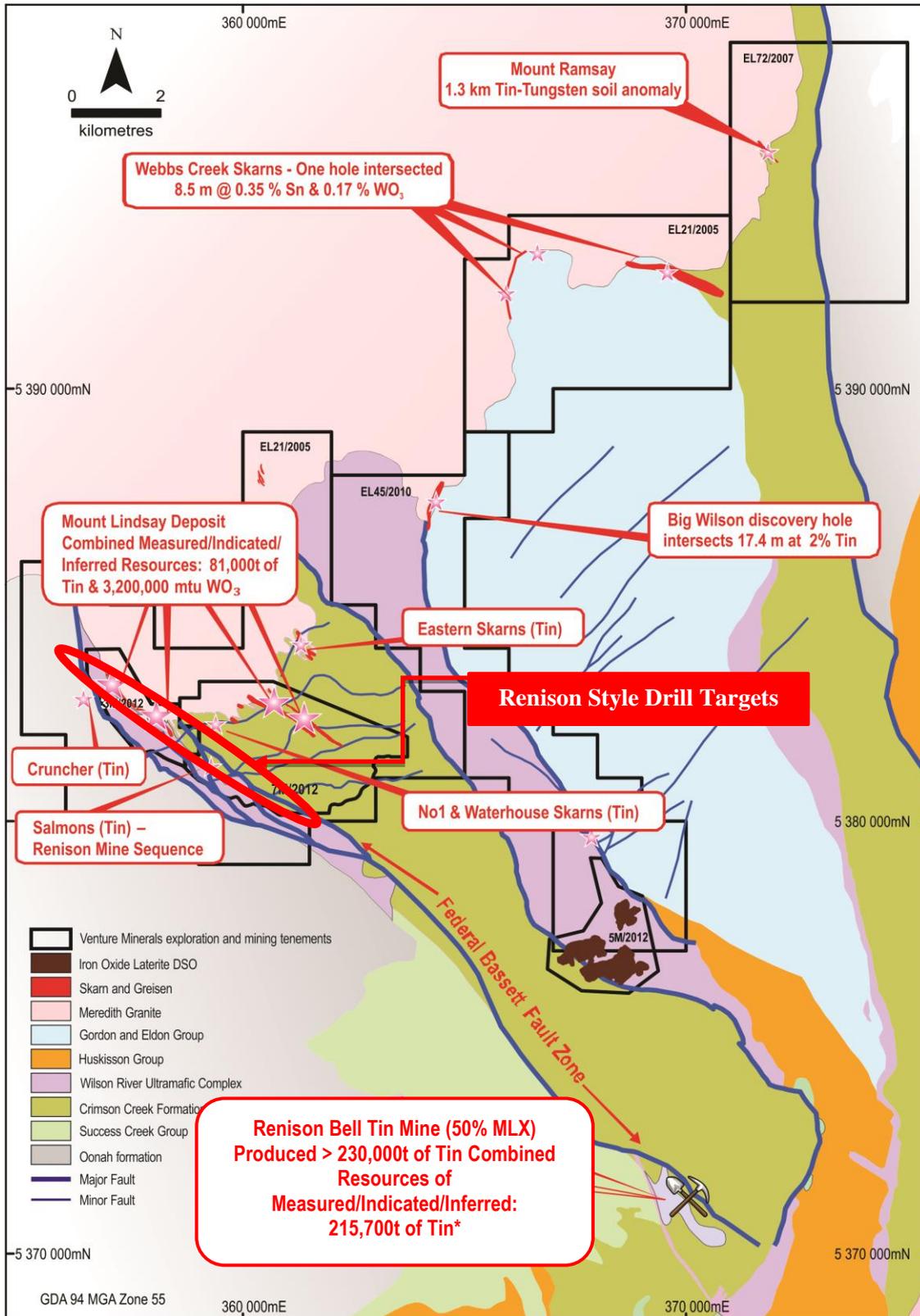
During the year, UTS Geophysics completed a high-resolution Airborne EM survey using the VTEM™ Max system over the entire Mount Lindsay Project, with the aim of identifying further High-Grade Tin targets, including those with the potential to host Renison Bell style mineralisation.

Renison Bell (Renison) is one of the world's largest and highest-grade tin mines, with mining spanning three centuries (*Refer to ASX Announcement 13 March 2019*). Previous exploration at Mount Lindsay had already identified potential tin targets located within the carbonate units and potentially the same fault zone (Federal-Basset Fault) that hosts the Renison Mine only 12 kms along strike to the southeast (*Refer Figure Four*). With Renison being a major Skarn, carbonate replacement, pyrrhotite-cassiterite style deposit (*Refer to ASX Announcement 13 March 2019*), Venture believes the VTEM™ Max system is an ideal exploration tool for making discoveries for the Renison style of tin mineralisation at Mount Lindsay.

The aim of the EM survey is to generate drill targets that may lead to further tin discoveries that could enhance future development of the Mount Lindsay Tin-Tungsten Project. The final results of the Airborne EM survey are expected in the coming year.

## 7. Review of Operations (continued)

Figure Four | Map showing High Grade Tin-Tungsten Targets



\*MLX Corporate Presentation 23 August 2018

## 7. Review of Operations (continued)

### Thor VMS Prospect, Base & Precious Metals, Western Australia

#### Introduction

The Thor Prospect sits within Venture's Southwest tenement package (281 km<sup>2</sup>) and is located 240 km south of Perth (*Refer Figure Eight*), hosted within the Balingup Gneiss Complex. A joint venture between Teck Cominco and BHP Billiton, first identified this area as being prospective for base and precious metals hosted within the complex. The joint venture completed surface sampling and airborne Electromagnetic (EM) surveys which culminated in the discovery of a base and precious metals deposit (Kingsley Prospect) (*Refer Figures Five and Eight*) which Teck identified as a meta-VMS system in high grade metamorphic rocks. Venture's nearby Thor prospect hosts a strong and coherent arsenic in laterite anomaly, with locally elevated levels of copper, zinc, tin, bismuth, tungsten and antimony, elements that are typically elevated in VMS systems.

Following the discovery of the main Thor target, as well as three additional anomalies to the east, the Company then worked on extending and refining the known exploration targets. This resulted in surface sampling extending the main Thor target, and also identifying additional targets to the north and south, pushing the total combined strike to over 10 km of EM and geochemical targets.

The Company later acquired the northern extension, so that Thor now encompasses some 24-strike km of prospective geology which already hosts multiple VMS Style targets (*Refer Figure Eight*).

#### Activities during the Year

Venture completed the initial drilling program and confirmed the presence of VMS style mineralization and now has a 20km VMS target zone at Thor (*Refer Figure Seven*). Following on a new high-resolution airborne EM survey delivered priority VMS drill targets for testing within the original Thor area (*Refer Figures Five and Six*).

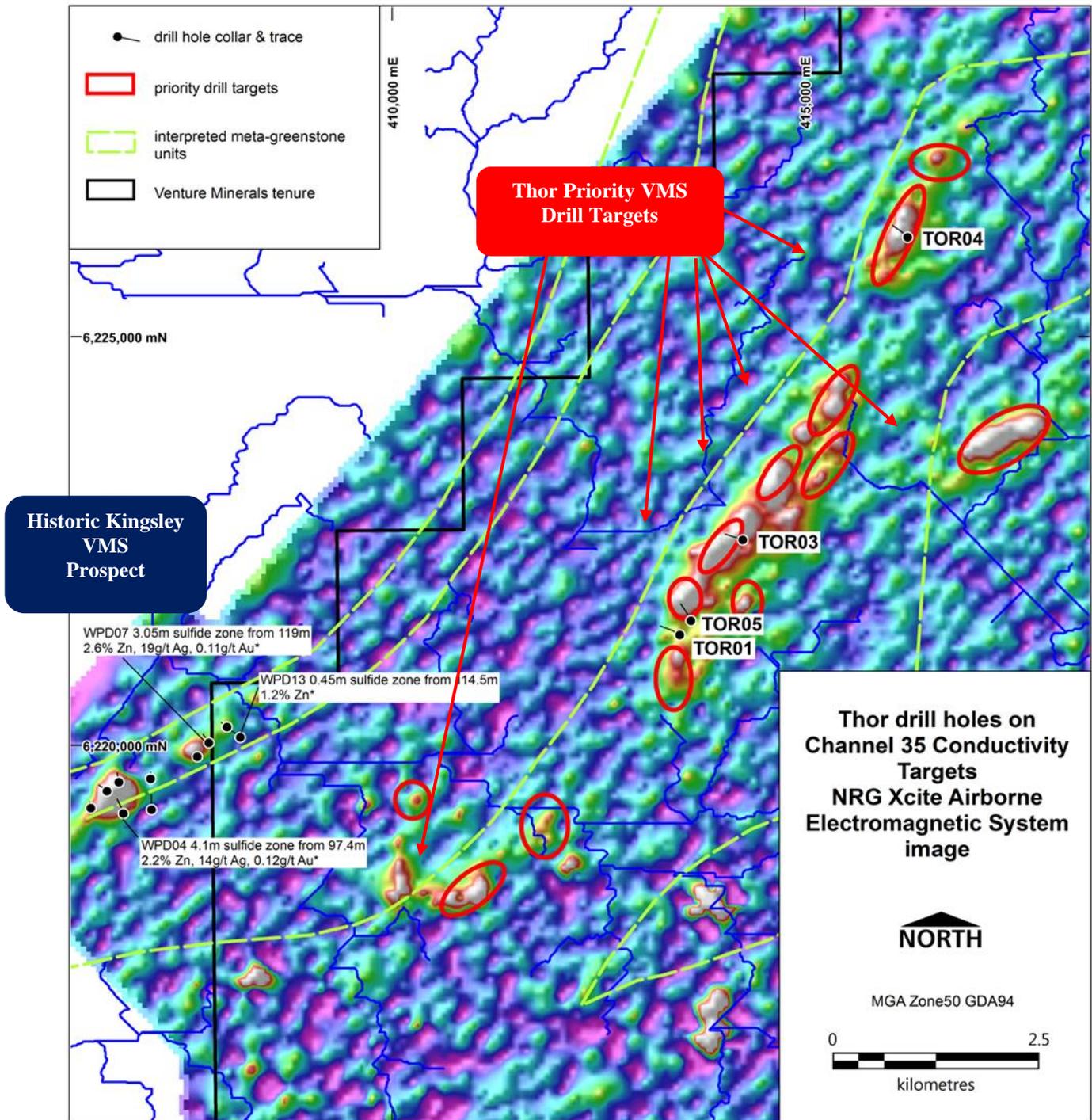
The second phase of drilling at the Thor Prospect intersected further massive sulfides with Copper and Zinc mineralisation. The assay results received from the last two drill holes suggest that the Company is vectoring in towards higher grade zones within the Thor VMS sequence.

Thor has seen only two single drill holes targeting two of the thirteen priority VMS drill targets delineated around the initial discovery area (*Refer Figures Five and Six*). Further drilling will go towards unlocking the potential of Thor's 20km VMS target zone, believed to host Golden Grove type mineralisation.

Thor has the same EM and geochemical signature as Teck's adjacent VMS Kingsley discovery, which is one of a number of VMS occurrences in the Archean Yilgarn Craton of Western Australia, with the Golden Grove Camp (Mine), 450 km north-east of Perth being the prime example, with over nine VMS deposits spread over 13 km of strike. At the end of 2002, Golden Grove had an endowment (resources and production) of 40.2Mt @ 1.8% Cu, 0.9% Pb, 7.6% Zn, 103 g/t Ag and 0.8 g/t Au. In February 2017, EMR Capital purchased Golden Grove for US\$210M and states that after 27 years of production there is over 10 years of mine life in reserve for the 1.3Mt per annum operation

7. Review of Operations (continued)

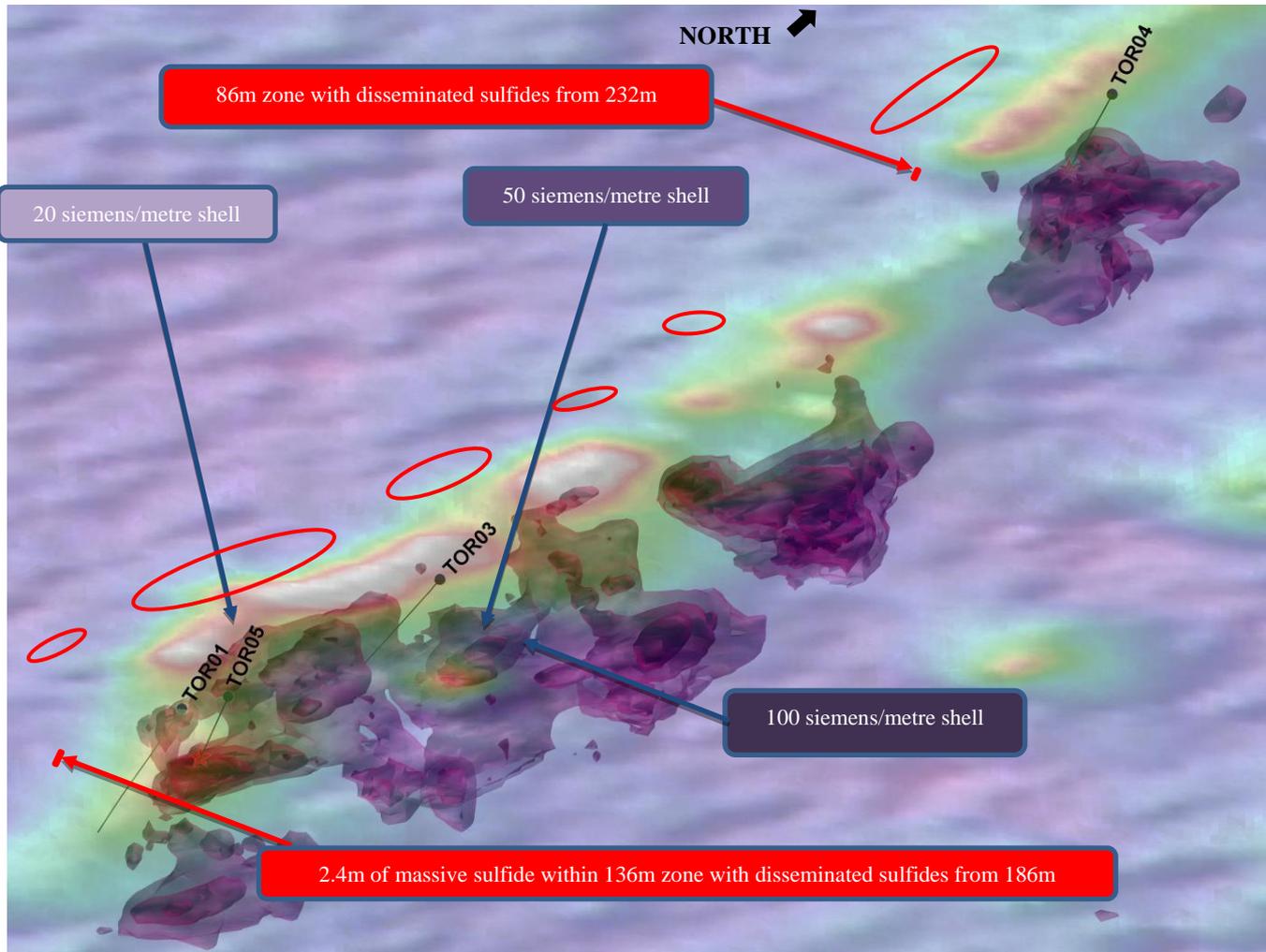
Figure Five | Plan View of Final Xcite AEM Survey Channel 35 Results at the Thor Prospect.



\* GSWA Record 2017/9: Metamorphosed VMS Mineralization at Wheatley, Southwest, Western Australia by LY Hassan.

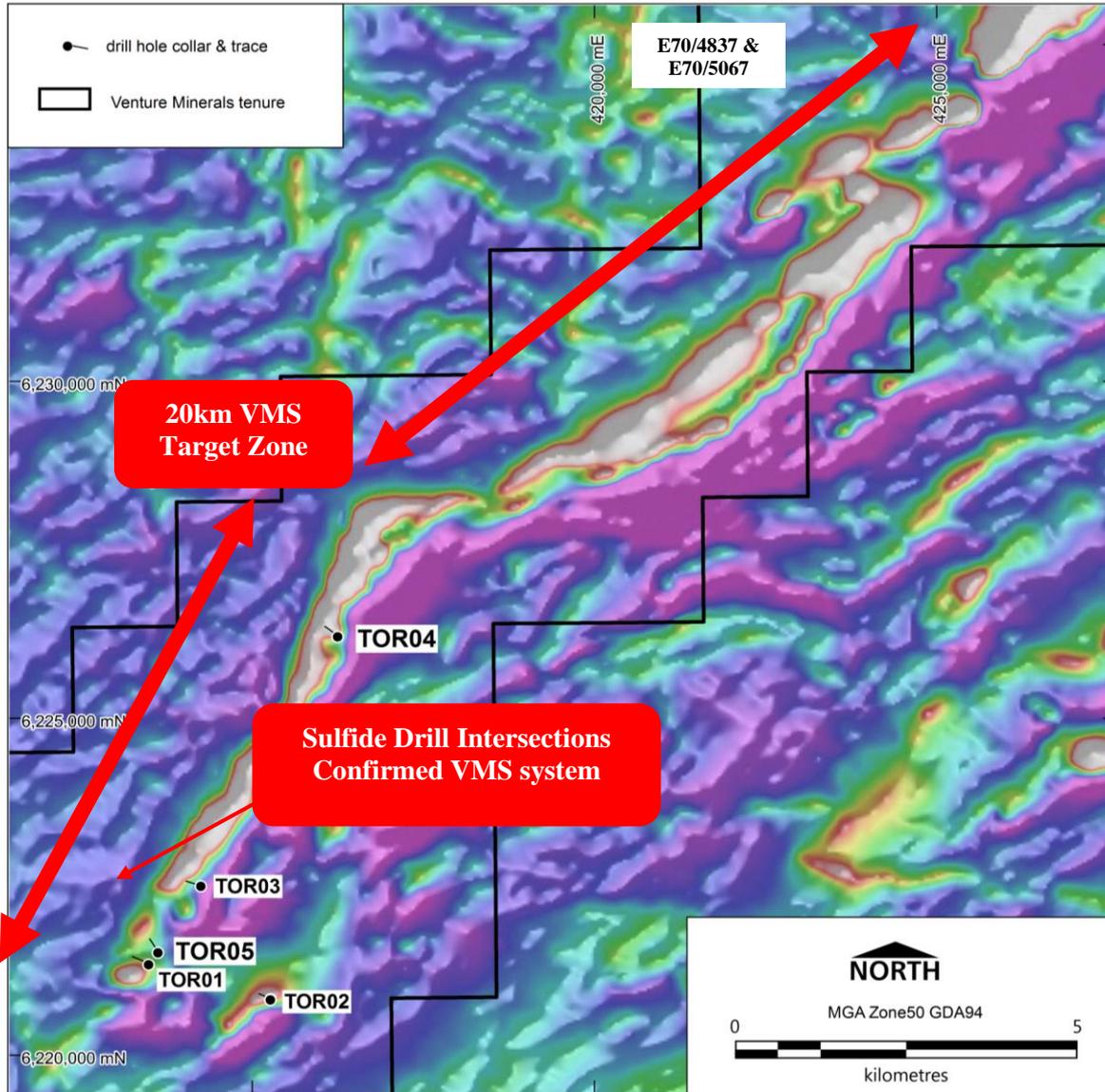
## 7. Review of Operations (continued)

Figure Six | Oblique View of Final Xcite AEM Survey Channel 35 Results superimposed on an electrical conductivity model represented by 20,50 & 100 siemens/metre shells at the Thor Prospect.



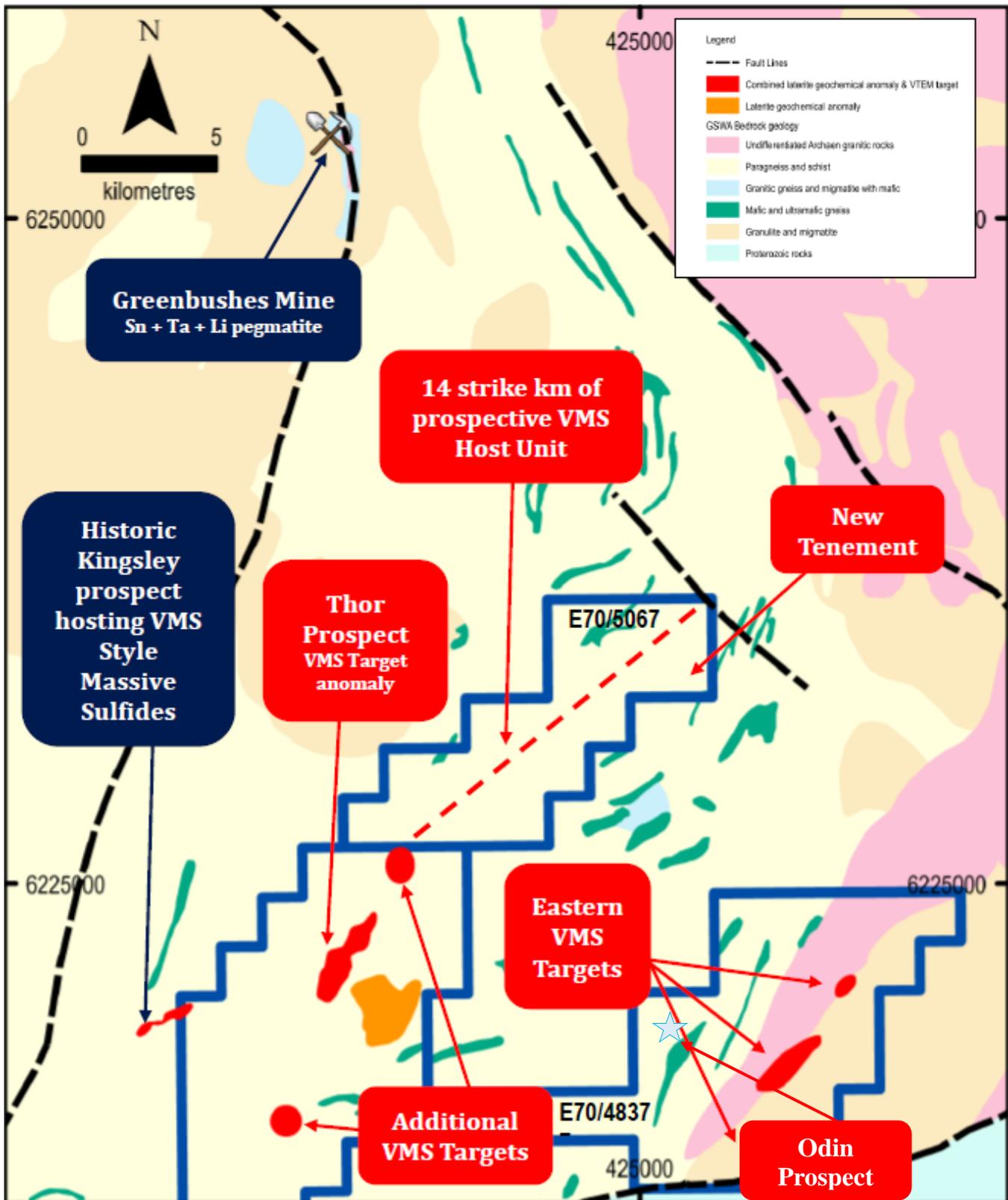
## 7. Review of Operations (continued)

Figure Seven | Thor VMS Target with drilling on aeromagnetic image



7. Review of Operations (continued)

Figure Eight | Thor & Odin Prospects Location Plan



## 7. Review of Operations (continued)

### Golden Grove North Project, Base & Precious Metals, Western Australia

#### Introduction

Venture has acquired a highly prospective land package (374 km<sup>2</sup>) less than 10 kilometres north of the Golden Grove Camp (Mine) (Refer Figure Nine), currently Western Australia's premier location for VMS deposits. In 2002, Golden Grove had an endowment (resources and production) of 40.2Mt @ 1.8% Cu, 0.9% Pb, 7.6% Zn, 103 g/t Ag & 0.8 g/t Au (Refer Figure Nine), and recently EMR Capital purchased the Mine for \$US210M.

The Golden Grove North project (approx. 370 km north-northeast of Perth) has not been the focus of VMS exploration for the last 25 years and it is the Company's goal to use a systematic exploration approach, utilizing the latest techniques to explore for VMS style mineralisation.

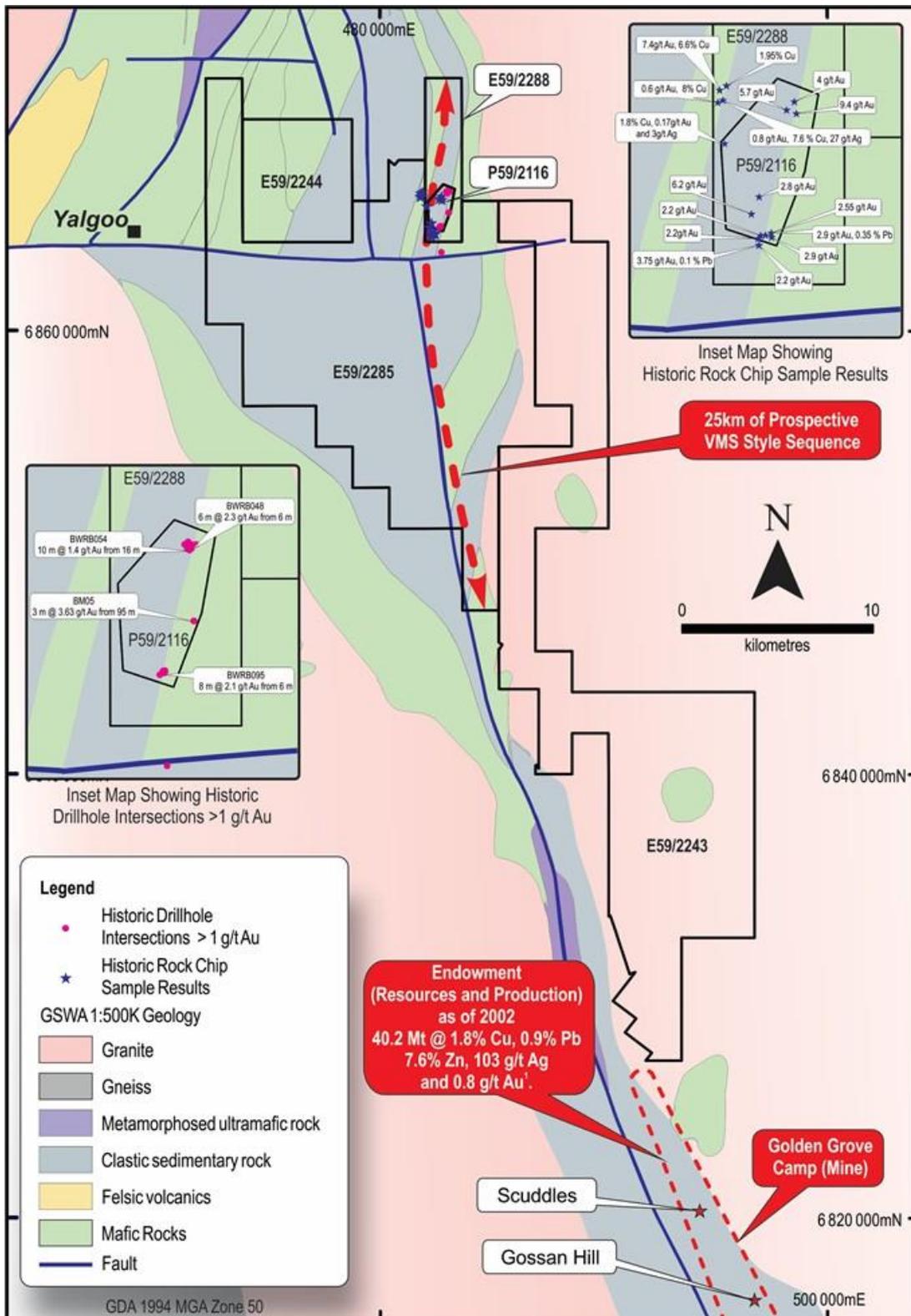
There are already several compelling target areas throughout the project, including a number of historic shallow gold drill intersections including 10 metres @ 1.4g/t gold from 16m; 8 metres @ 2.1g/t gold from 6m; 6 metres @ 2.3g/t gold from 6m; 3 metres @ 3.6g/t gold from 95 m; and several strong gold and copper surface rock chip sampling results, including 9.4g/t gold, 7.4g/t gold and 6.6% copper; 6.2g/t gold, 5.7g/t gold, 4.0 g/t gold, 3.8g/t gold and 0.1% lead; 7.6% copper and 27g/t silver; 8.0% copper and 2.0% copper; and an extensive land position of interpreted lithologies prospective for VMS style mineralisation for over 25 strike kilometres that remain, due to cover, largely untested (Refer Figure Nine and to ASX announcement 30 October 2018).

#### Activities during the Year.

Since the acquisition of the project was reported (Refer to ASX Announcement 30 October 2018) the Company continued to collate historical data and is in process of doing field validation work in preparation for a geological re-interpretation of the project in order to generate new VMS target areas.

## 7. Review of Operations (continued)

Figure Nine | Golden Grove North Project- Geological setting with historic drill hole intersections >1g/t gold and significant historic rock chip surface sample results.



<sup>1</sup> Refer to ASX announcement 30<sup>th</sup> October 2018

## 7. Review of Operations (continued)

### **Kulin Project, Nickel-Copper-Cobalt, Western Australia**

#### **Introduction**

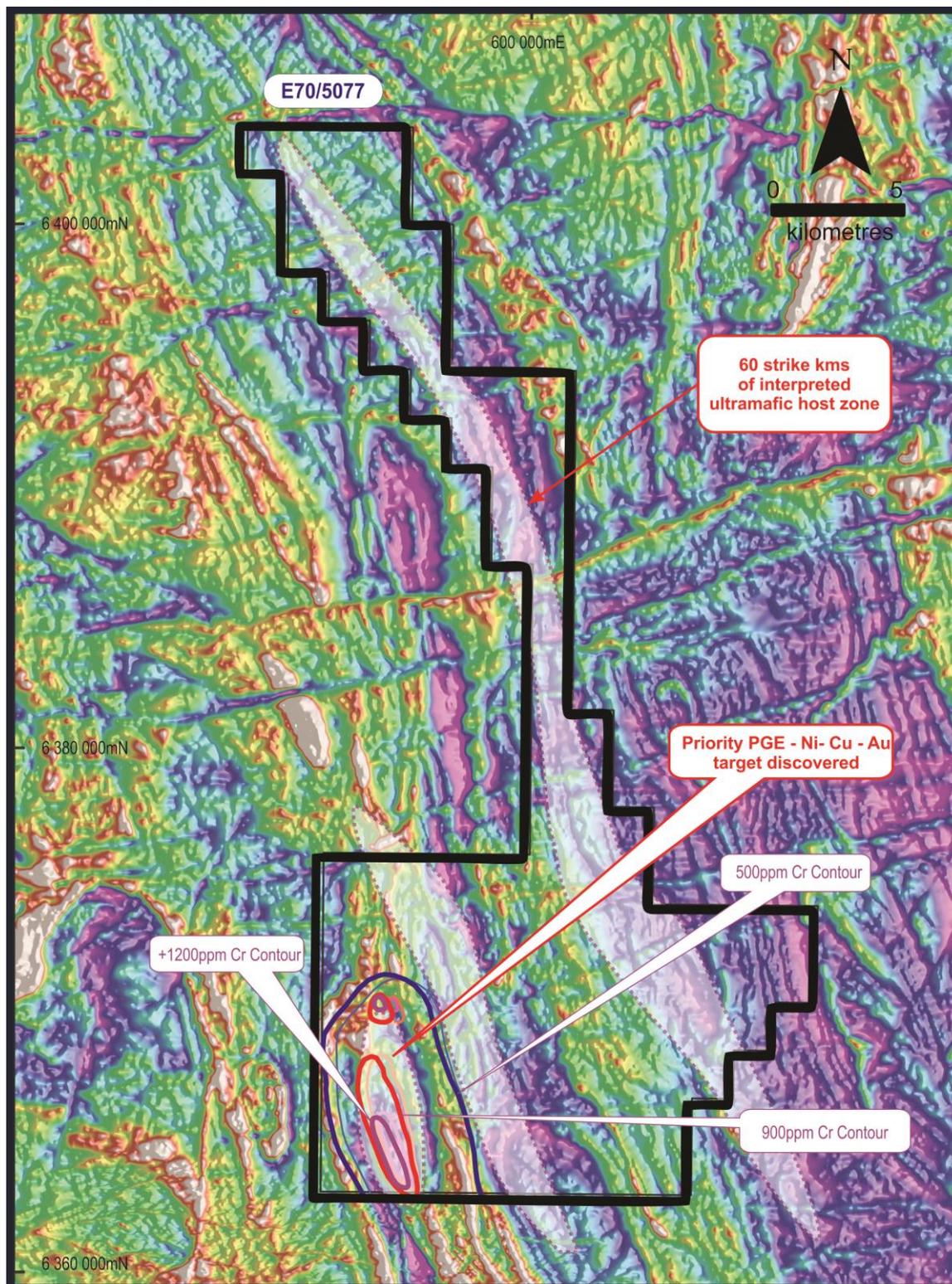
The Company has now one granted exploration licence (312 km<sup>2</sup>) left, within its former Pingaring Project (now renamed to Kulin), which is located ~230 km south-southeast of Perth in Western Australia. Venture is focusing on the interpreted layered mafic-ultramafic intrusion near the town of Kulin. The layered mafic-ultramafic intrusion target sits within the granted exploration licence (E70/5077) which has 60 strike kms of interpreted ultramafic zones (*Refer Figure Ten*).

#### **Activities during the Year.**

During the year, the Company continued working towards completing a broad spaced surface sampling and mapping program over the priority target which sits in the project area.

## 7. Review of Operations (continued)

Figure Ten | Kulin Project - Aeromagnetic Image over Priority Target



## 7. Review of Operations (continued)

### Odin Prospect, Lithium and Nickel-Copper, Western Australia

#### Introduction

The Odin prospect is located in the Company's Southwest tenement package, which encompasses 281 km<sup>2</sup> of the Balingup metamorphic belt (*Refer Figure Eight*). Venture discovered a lithium target situated ~30 km south of Greenbushes, the world's largest hard rock lithium mine (produces ~40% of the world's lithium and is owned 51% by Tianqi Lithium and 49% Albemarle). Odin was discovered following a detailed geological mapping and surface geochemical program, which identified a potentially lithium bearing pegmatite system.

Following two phases of surface exploration a lithium target was identified which extended over 1.9 km of strike and was up to 150 m wide. The geochemistry in the laterite is analogous to Greenbushes with significantly elevated levels of tin, tantalum and niobium. In addition to the geochemistry, mapping confirmed the presence of coarse "books" of muscovite within the laterite which is considered indicative of pegmatites in a deeply weathered environment.

Venture received co-funding from Western Australian State Government to drill the first hole (ODD01) during the June 2018 quarter to test the lithium target. A total of 20 metres of pegmatites spread over several intervals was intersected within a mafic-ultramafic gneiss. The assay results received concluded that the pegmatites intersected in ODD01 did not contain significant lithium.

ODD01 also intersected disseminated Nickel-Copper sulfides within a mafic-ultramafic host unit, therefore realising the Company a new Nickel-Copper Target (*Refer Figure Eleven*). The nickel-copper target was identified between two of the pegmatite zones intersected in the hole, the drilling intersected a continuous 21 metre zone of minor disseminated Nickel-Copper sulfides hosted within a mafic-ultramafic gneiss, which may represent part of a metamorphosed magmatic nickel-copper sulfide system. Hand-held XRF analyses verified the presence of elevated nickel and copper within these sulfides.

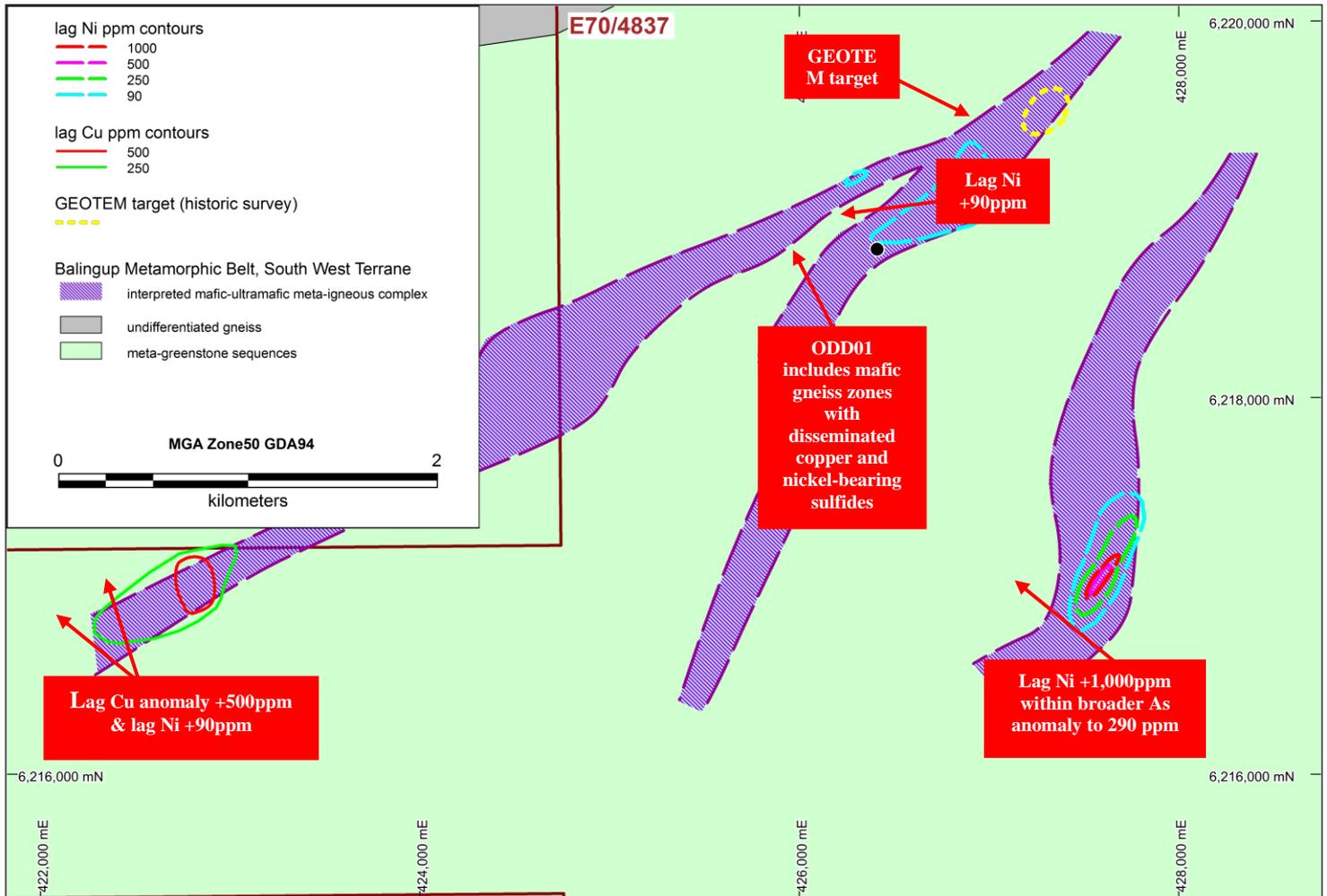
Venture's surface sampling shows significant nickel and copper geochemical anomalies within the mafic-ultramafic target units a few kilometres to the south west and south east of the first hole (*Refer Figure Eleven*).

#### Activities during the Year.

During the year, the Company continued to assess the final data generated by the recently completed NRG high-resolution Xcite™ Airborne EM survey over the entire Southwest tenement package, which covered the previously generated geochemical anomalies. Once the interpretation of the new EM survey data is complete the Company will look prioritise the nickel and copper targets in and around Odin for potential drill testing in the future.

## 7. Review of Operations (continued)

Figure Eleven | Ultramafic-Mafic hosted Nickel-Copper Targets at the Odin Prospect.



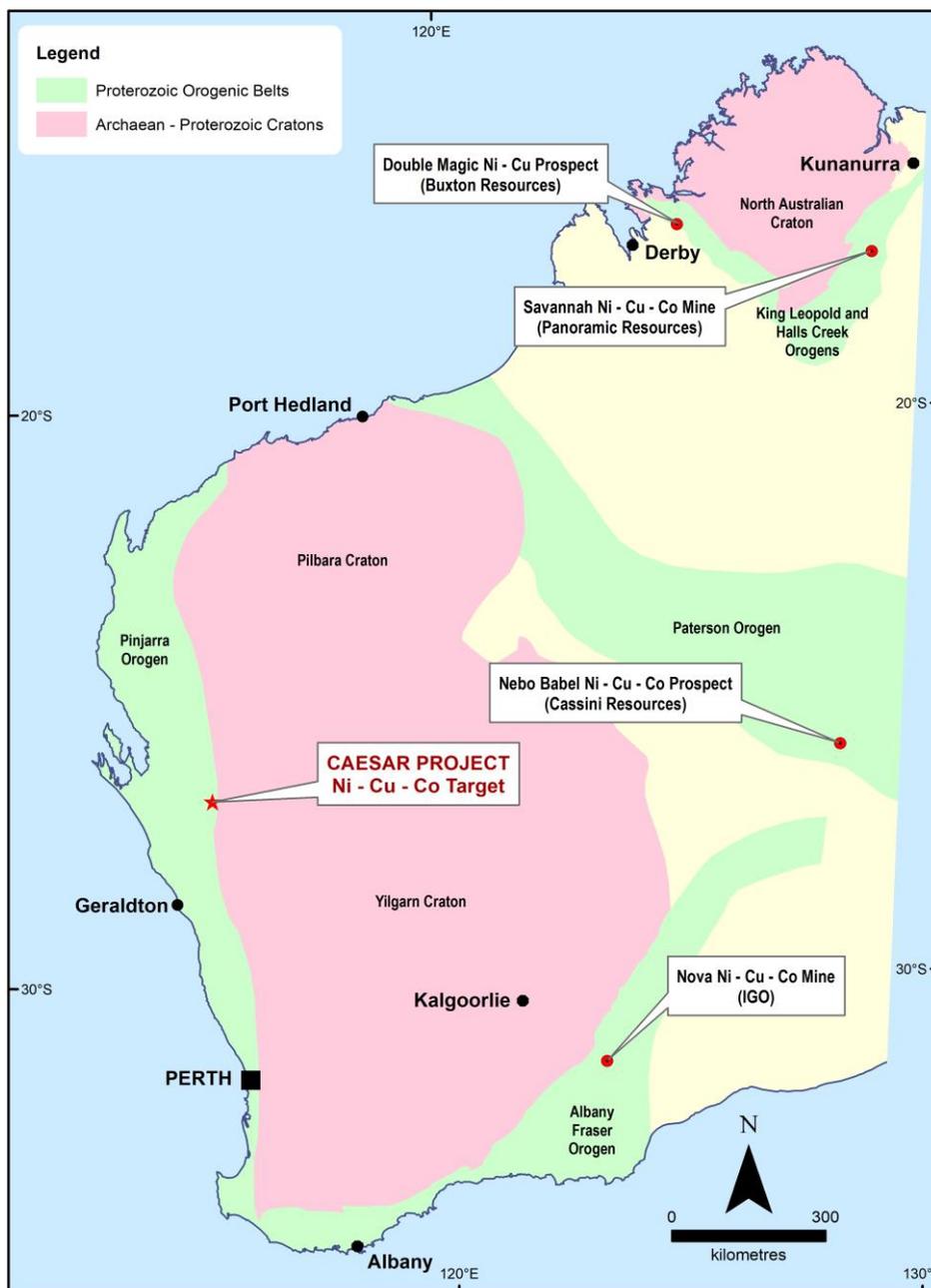
7. Review of Operations (continued)

**Caesar Project, Nickel-Copper-Cobalt, Western Australia**

**Introduction**

The Caesar Project is located approximately 200 km north northeast of Geraldton (Refer Figure Twelve) and consists of a granted exploration licence covering 49 km<sup>2</sup> (for which Venture Minerals is earning up to 90%) as well as an additional 83 km<sup>2</sup> in another granted exploration licence that is held by Venture Minerals.

**Figure Twelve | Caesar Project - Location Map**



## 7. Review of Operations (continued)

Late 2016, Venture Minerals entered into an earn-in agreement with Muggon Copper Pty Ltd, whereby Venture can earn up to a 75% interest in the Caesar Project via exploration expenditure. Should exploration be successful, Venture can increase its ownership to 90% by funding a bankable feasibility study (*Refer to ASX announcement 23 November 2016*).

Previous exploration work on the Caesar Project, including surface geochemistry (lag sampling) and petrology that showed the presence of disseminated nickel and copper sulfides, and surface geochemical anomalism associated with a number of gabbroic intrusives. Subsequent exploration programs completed by Venture have included infill and extensional lag sampling, detailed geological mapping and petrology, and the completion of a high-powered EM survey study (*Refer Figure Thirteen*) which resulted in a priority drill target.

The Company's first drill hole ("CSD01") (co-funded by WA State Government's Exploration Incentive Scheme) at Caesar intersected minor disseminated sulfides throughout the zone of dolerite located in CSD01, with micro-probe analysis verifying the presence of nickel, cobalt and copper within the intersected sulfides. This confirmed that the mafic rocks (dolerite and gabbro) at Caesar host nickel-copper-cobalt sulfide mineralisation. CSD01 did not test the strongest surface geochemical response within the project area, therefore follow-up drilling will need to be designed to re-test the target.

In addition, CSD01 intersected an 18m zone of sericite altered meta-sediments with quartz-carbonate-arsenopyrite veining with one metre returning 1.8 g/t gold, 4.6 g/t silver, 806 ppm copper, 655 ppm zinc & 578 ppm lead (*Refer to ASX announcement 13 March 2018*). The potential for gold mineralisation at the Caesar Project is being evaluated.

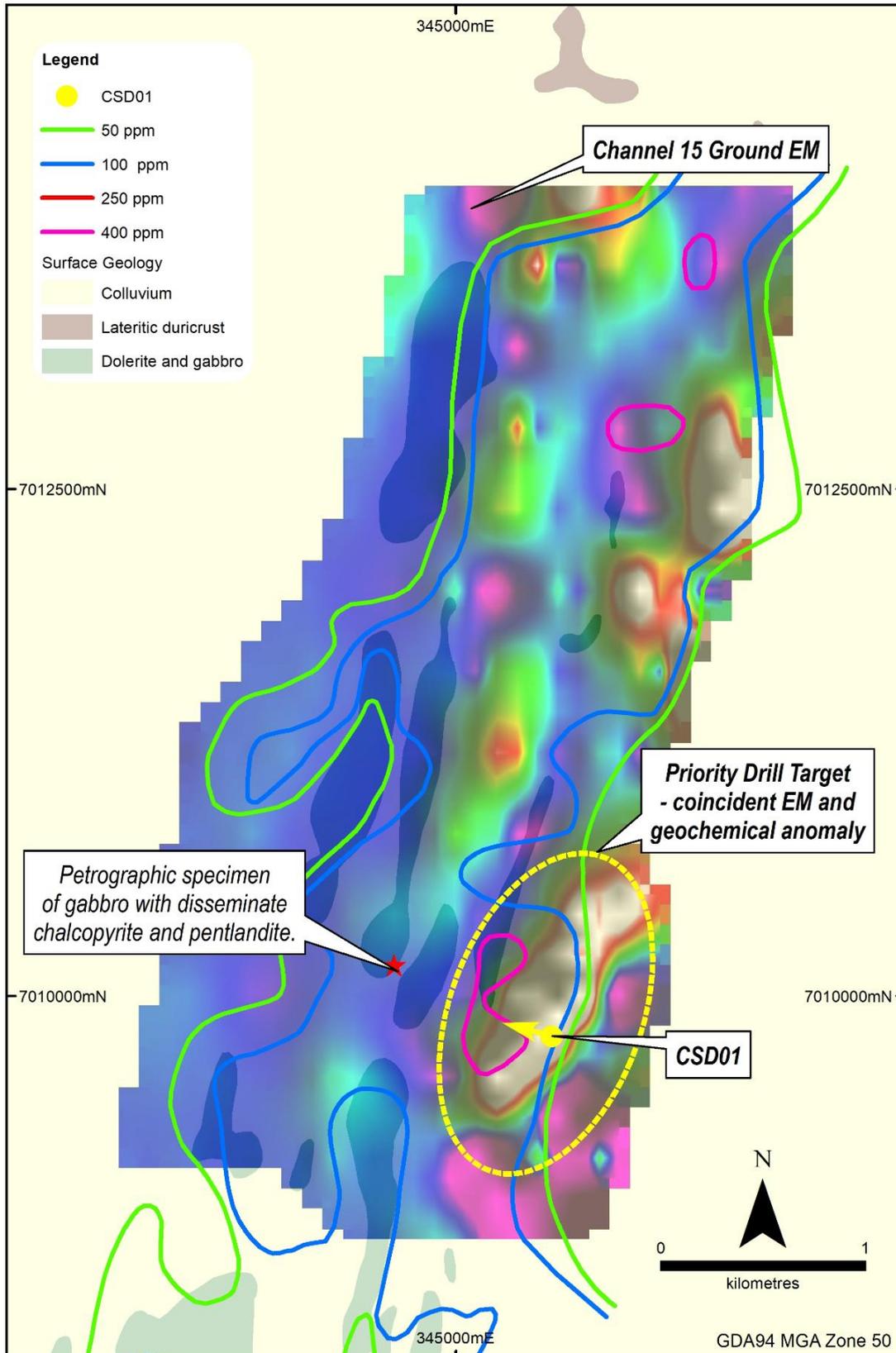
Venture also successfully negotiated a two-year extension to the 51% earn-in clause of the agreement with Muggon Copper Pty Ltd.

### Activities during the Year

Since CSD01 intersected one metre returning 1.8 g/t gold, 4.6 g/t silver, 806 ppm copper, 655 ppm zinc & 578 ppm lead (*Refer to ASX announcement 13 March 2018*), the Company continues working on a program to fully evaluate the potential for gold mineralisation occurring within the project area, since the interpretation of the arsenic results from previous surface sampling highlighted several possible gold targets. The work program consists of re-analysing previously collected surface lag samples and completing further surface geochemical sampling. Results will be announced upon completing the interpretation of the new data once all has been received (*Refer Figure Fourteen*).

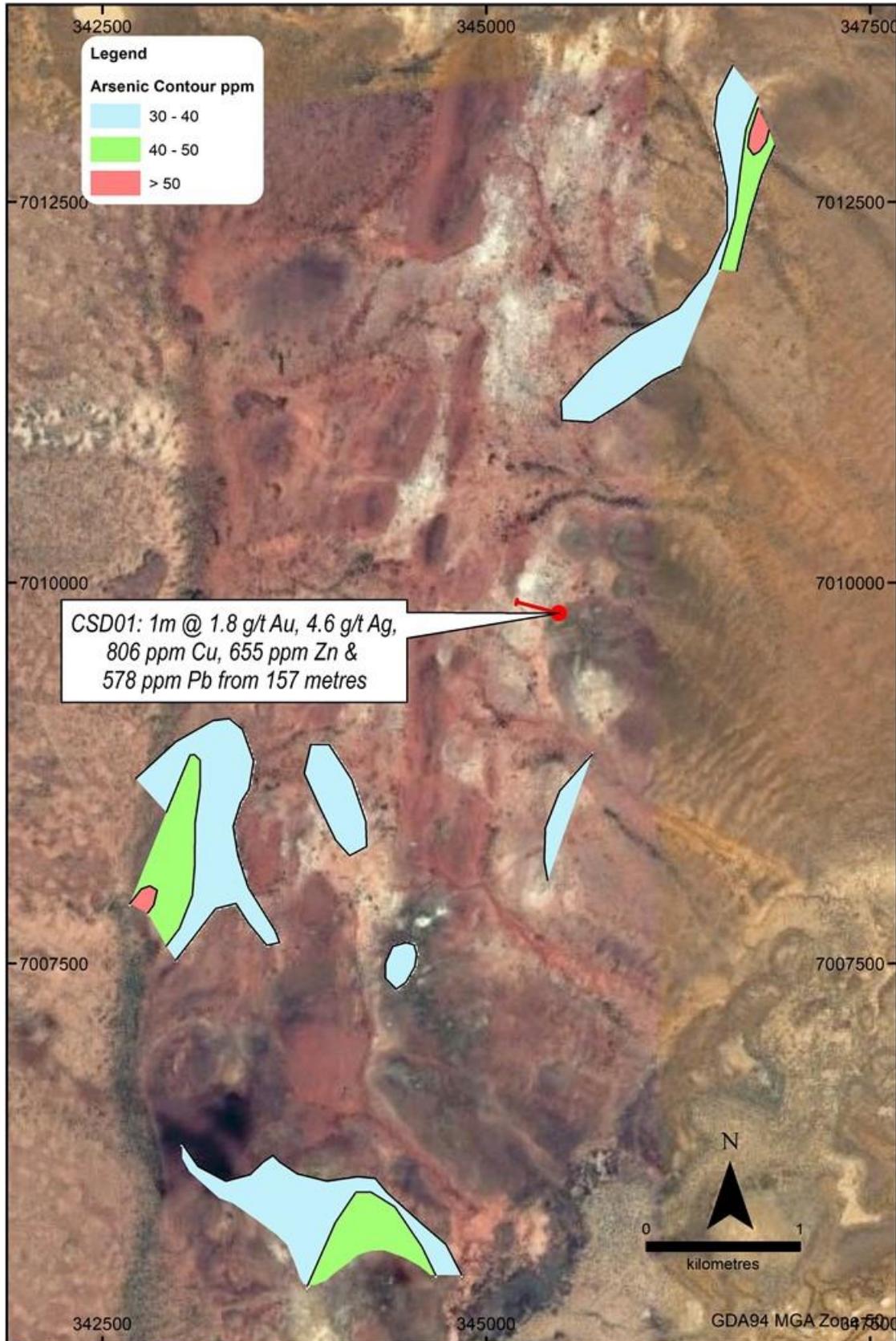
## 7. Review of Operations (continued)

Figure Thirteen | Caesar Project - surface geology with Nickel geochemical results and EM response



## 7. Review of Operations (continued)

Figure Fourteen | Caesar Project – Arsenic geochemical results



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

### **Thailand**

On 31 December 2018, Venture (Thailand) Ltd a subsidiary domiciled in Thailand was deregistered and liquidated.

### **Corporate Governance and Internal Controls**

Venture ensures that the Mineral Resource estimates are subject to appropriate levels of governance and internal controls. The Company periodically reviews the governance framework in line with the expansion and development of the business.

The Mineral Resource estimates are prepared internally by highly competent and qualified professionals. The Competent Person named by the Company is a Member of The Australasian Institute of Mining and Metallurgy. Internal reviews are carried out on the quality of the database and geological models prior to estimation.

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

On 1 July 2019, the Company issued 104,122,460 listed options (ASX Code: VMSOB) at \$0.035, expiring on 18 June 2020 under the Placement and Entitlement Offer announced on 20 May 2019.

On 28 June 2019, the Company announced it had issued 155,604,163 ordinary shares with an issue date of 1 July 2019 under the retail offer and shortfall under the Placement and Entitlement Offer announced on 20 May 2019. Funds were received for 117,468,600 shares or \$2,349,372 prior to year-end, with the remaining 38,135,563 or \$762,711 received post year end. The total 155,604,163 ordinary shares were issued on 1 July 2019.

On 19 July 2019, the Company issued 39,045,912 listed options (ASX Code: VMSOB) at \$0.035, expiring on 18 June 2020, on the basis of one (1) free new option for every two (2) shares subscribed under the Placement and Entitlement Offer announced on 20 May 2019.

On 22 August 2019, the Board committed to recommending its Riley Iron Ore mine following the completion of the updated Mining Study with post tax cash generation of A\$31M, pre-production capital of A\$3.6M and a post-tax NPV of A\$27M

No further subsequent events.

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

The Company will continue to work towards the development of the Riley Iron Ore Project, with a focus of first shipment in the December 2019 Quarter. Board and management will continue to monitor Iron Ore commodity prices and foreign currency markets as it progresses into the production by the end of the calendar year.

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 Secretaries

|                        |  |           |
|------------------------|--|-----------|
| Mr Mel Ashton          | Independent Non-Executive Chairman   |           |
| Qualifications         | B.Com, FCA,  |           |
| Experience             | Mr Ashton holds a Bachelor of Commerce degree from the University of Western Australia, is a fellow of the Chartered Accountants Australia. Mr Ashton also holds a position on the Board of Directors of The Hawaiian Group of Companies.  |           |
| Interest in Securities | Fully Paid Ordinary Shares   | 4,263,000 |
|                        | 0.1 cent options expiring 12 April 2023  | 2,500,000 |
|                        | subject to vesting conditions:   |           |
|                        | <ul style="list-style-type: none"> <li>• 50% of options vest after 18 months of service subject to remaining an employee of the Company at the time of vesting</li> <li>• 50% of options vest upon share trading at \$0.10 or more based on a 10-day volume weighted average price</li> </ul>  |           |
| Other Directorships    | Credit Intelligence Limited (17 May 2018)<br>Aurora Labs Ltd (22 January 2018)<br>Gryphon Minerals Limited (18 May 2004 to 13 October 2016)<br>Empired Ltd (21 December 2005 to 29 November 2016)  |           |
| Mr Andrew Radonjic     | <i>Managing Director - Appointed 15 December 2017 – Previously Technical Director 1 April 2009 to 15 December 2017</i>   |           |
| Qualifications         | BAppSc (Mining Geology), MSc (Mineral Economics), MAusIMM  |           |
| Experience             | Mr Radonjic is a geologist and mineral economist with over 30 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 gold operations north of Kalgoorlie, where 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 in the development of over 1 million ounces. |           |
| Interest in Securities | Fully Paid Ordinary Shares   | 9,058,000 |
|                        | 0.1 cent options expiring 12 April 2023  | 3,500,000 |
|                        | subject to vesting conditions:   |           |
|                        | <ul style="list-style-type: none"> <li>• 50% of options vest after 18 months of service subject to remaining an employee of the Company at the time of vesting</li> <li>• 50% of options vest upon share trading at \$0.10 or more based on a 10-day volume weighted average price</li> </ul>  |           |
| Other Directorships    | Blackstone Minerals Limited (since 30 August 2016)<br>Fin Resources Limited (since 14 May 2018)  |           |

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

|                        |  |            |
|------------------------|--|------------|
| Mr Hamish Halliday     | Non-Executive Director – <i>Appointed 15 December 2017 – Previously Managing Director 1 April 2009 to 15 December 2017</i>   |            |
| Qualifications         | BSc (Geology), MAusIMM   |            |
| Experience             | Mr Halliday is a Geologist with a Bachelor of Science from the University of Canterbury and has over 20 years of corporate and technical experience in the mining industry. Mr Halliday co-founded Venture Minerals and was instrumental in the acquisition of its Company's current tenement portfolio. Mr Halliday has been involved in the discovery and acquisition of numerous projects over a range of commodities throughout four continents. Mr Halliday has founded and held executive and non-executive directorships with a number of successful listed exploration companies including Adamus Resources Ltd ('Adamus'). He was CEO of Adamus from its inception through to successful completion of a feasibility study on its gold project in Ghana which is now in production. |            |
| Interest in Securities | Fully Paid Ordinary Shares   | 15,737,500 |
|                        | 0.1 cent options expiring 12 April 2023<br>subject to vesting conditions:  | 3,000,000  |
|                        | <ul style="list-style-type: none"> <li>• 50% of options vest after 18 months of service subject to remaining an employee of the Company at the time of vesting</li> <li>• 50% of options vest upon share trading at \$0.10 or more based on a 10-day volume weighted average price</li> </ul>  |            |
| Other Directorships    | Blackstone Minerals Limited (since 30 August 2016)<br>Comet Resources Limited (since 16 December 2014)<br>Alicanto Minerals Limited (since 17 March 2016)<br>Renaissance Minerals Limited (25 February 2016 to 28 September 2016)  |            |

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

|                        |  |           |
|------------------------|--|-----------|
| Mr John Jetter         | Independent Non-Executive Director - <i>appointed 8 June 2010</i>  |           |
| Qualifications         | B.Law, B.Econ, INSEAD  |           |
| Experience             | Mr Jetter has extensive international finance and M&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. |           |
|                        | Mr Jetter currently holds a number of other board positions including Chairman of Otto Energy Limited and Non-Executive Director of Peak Resources Limited.  |           |
|                        | 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.  |           |
| Interest in Securities | Fully Paid Ordinary Shares   | 3,862,600 |
|                        | 0.1 cent options expiring 31 August 2020   | 1,030,000 |
|                        | 45 cent Options expiring 18 months after vesting date. Vesting date being successful financing for the Mt Lindsay Project.   | 1,000,000 |
|                        | 0.1 cent options expiring 12 April 2023  | 2,500,000 |
|                        | subject to vesting conditions:   |           |
|                        | <ul style="list-style-type: none"> <li>• 50% of options vest after 18 months of service subject to remaining an employee of the Company at the time of vesting</li> <li>• 50% of options vest upon share trading at \$0.10 or more based on a 10-day volume weighted average price</li> </ul>  |           |
| Other Directorships    | Otto Energy Limited (since 12 December 2007)<br>Peak Resources Limited (since 1 April 2015)  |           |

### Company Secretary

Jamie Byrde - BCom, CA.

Appointed - 16 March 2017

Mr Byrde is a Chartered Accountant with over 15 years' experience in corporate, audit and company secretarial matters. Previously Mr Byrde has held positions providing corporate advisory services, financial accounting/reporting and ASX/ASIC compliance management. Mr Byrde is also currently Company Secretary for Blackstone Minerals Limited and Alicanto Minerals Limited.

## 11. Remuneration Report (audited)

The Directors of Venture Minerals Limited are pleased to present your Company's 2019 remuneration report which sets out remuneration information for the Non-Executive Directors, Executive Directors and other key management personnel ("KMP").

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. Group Performance, Shareholder Wealth and Executive Remuneration
- E. Non-Executive Director remuneration policy
- F. Voting and comments made at the company's 2018 Annual General Meeting
- G. Details of remuneration
- H. Details of share based payments and bonuses
- I. Service Agreements
- J. Equity instruments held by key management personnel
- K. Loans to key management personnel
- L. Other transactions with key management personnel

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

#### Non-Executive Directors

|               |                        |
|---------------|------------------------|
| Mr M Ashton   | Non-Executive Chairman |
| Mr J Jetter   | Non-Executive Director |
| Mr H Halliday | Non-Executive Director |

#### Executive Directors

|               |                   |
|---------------|-------------------|
| Mr A Radonjic | Managing Director |
|---------------|-------------------|

#### Other key management personnel

|            |   |
|------------|---|
| Mr J Byrde | Company Secretary and Chief Financial Officer |
|------------|---|

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

### B. Remuneration governance

The Company has established a Remuneration Committee under a formal charter. The Remuneration Committee comprises of four Directors, the majority of which are independent.

The Remuneration Committee is responsible for reviewing and recommending the remuneration arrangements for the Executive and Non-Executive Directors and KMP each year in accordance with the Company's remuneration policy approved by the Board. This includes an annual remuneration review and performance appraisal for the Executive Directors and other executives, including their base salary, short-term incentives and long-term incentives, bonuses, superannuation, termination payments and service contracts.

Further information relating to the role of the Remuneration Committee can be found within the Corporate Governance Report on the Company's website at [www.ventureminerals.com.au](http://www.ventureminerals.com.au).

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

### **C. Use of remuneration consultants**

The Company engaged BDO Remuneration and Reward Pty Ltd (“BDO”) in the previous financial year for \$8,750 to review its existing remuneration policies and to provide recommendations on Executive and Non-Executive total remuneration packages, given the Board and management had voluntarily reduced their salaries by up to 60% since April 2015. There is no existing relationship with BDO and the Company and as a result, the Board is satisfied that the recommendations were made free from undue influence and independent from any members of the key management personnel.

### **D. Group Performance, Shareholder Wealth and Executive Remuneration**

The remuneration policy has been tailored to increase goal congruence between shareholders directors and executives. This has been achieved by the issue of performance options to directors, executives and other key management personnel, at the discretion of the Board of Directors. The performance options are issued under the Employee Incentive Scheme and based on a mixture of short, medium and long-term incentive options. This structure rewards executives for both short-term and long-term shareholder wealth development.

### **E. 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 Minerals Limited 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.

In prior years, the Company engaged remuneration consultants to review the remuneration and incentives offered to the Company’s Board to benchmark against its peers to determine competitiveness of the Company’s current pay arrangements. Following this review and keeping in line with its remuneration policy the Board agreed to keeping the Chair and Non-Executive Director’s fees within the P50th quartile of the market peer analysis performed.

Further to ongoing reviews, the maximum aggregate amount of fees that can be paid to non-executive directors is \$500,000 as per the Company’s constitution. No change is being requested for approval by shareholders at the Annual General Meeting.

### **F. Voting and comments made at the company’s 2018 Annual General Meeting**

The Group received more than 99.05% (2018: 93.24%) of “Yes” votes on its remuneration report for the 2018 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

## 11. Remuneration Report (continued)

### G. Details of Remuneration

Details of the remuneration of the Directors 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.

|                                    | Cash Salary<br>& Fees | Short Term<br>Benefits |                    |                       | Super-<br>annuation | Eligible<br>Termination<br>Payments | Non-Cash<br>Long<br>Term<br>Incentives<br>B | Total<br>\$    |
|------------------------------------|-----------------------|------------------------|--------------------|-----------------------|---------------------|-------------------------------------|---|----------------|
|                                    |                       | Incentives             | Consulting<br>Fees | Other<br>Amounts<br>C |                     |                                     |   |                |
| <b>2019</b>                        |                       |                        |                    |                       |                     |                                     |   |                |
| <i>Non-Executive<br/>Directors</i> |                       |                        |                    |                       |                     |                                     |   |                |
| Mr M Ashton                        | 70,000                | -                      | -                  | 6,974                 | -                   | -                                   | 15,165                                      | <b>92,139</b>  |
| Mr H Halliday                      | 20,000                | -                      | 80,000             | 1,974                 | -                   | -                                   | 18,198                                      | <b>120,172</b> |
| Mr J Jetter                        | 50,000                | -                      | -                  | 36,974                | -                   | -                                   | 15,165                                      | <b>102,139</b> |
| <i>Executive<br/>Directors</i>     |                       |                        |                    |                       |                     |                                     |   |                |
| Mr A Radonjic                      | 210,000               | -                      | -                  | 33,474                | 22,942              | -                                   | 21,231                                      | <b>287,647</b> |
| <i>Group Executives</i>            |                       |                        |                    |                       |                     |                                     |   |                |
| Mr J Byrde                         | 52,177                | -                      | -                  | 1,974                 | 4,957               | -                                   | 14,270                                      | <b>73,378</b>  |
| <b>Total<br/>Remuneration</b>      | <b>402,177</b>        | <b>-</b>               | <b>80,000</b>      | <b>81,370</b>         | <b>27,899</b>       | <b>-</b>                            | <b>84,029</b>                               | <b>675,475</b> |
| <b>2018</b>                        |                       |                        |                    |                       |                     |                                     |   |                |
| <i>Non-Executive<br/>Directors</i> |                       |                        |                    |                       |                     |                                     |   |                |
| Mr M Ashton                        | 70,000                | -                      | -                  | 1,997                 | -                   | -                                   | -   | <b>71,997</b>  |
| Mr J Jetter                        | 50,000                | -                      | -                  | 1,997                 | -                   | -                                   | -   | <b>51,997</b>  |
| <i>Executive<br/>Directors</i>     |                       |                        |                    |                       |                     |                                     |   |                |
| Mr H Halliday <sup>A</sup>         | 32,310                | -                      | 69,703             | 1,997                 | -                   | -                                   | -   | <b>104,010</b> |
| Mr A Radonjic <sup>A</sup>         | 162,669               | -                      | -                  | 1,997                 | 15,453              | -                                   | -   | <b>180,119</b> |
| <i>Group Executives</i>            |                       |                        |                    |                       |                     |                                     |   |                |
| Mr J Byrde                         | 50,000                | -                      | -                  | 1,997                 | 4,750               | -                                   | 2,737                                       | <b>59,484</b>  |
| <b>Total<br/>Remuneration</b>      | <b>364,979</b>        | <b>-</b>               | <b>69,703</b>      | <b>9,985</b>          | <b>20,203</b>       | <b>-</b>                            | <b>2,737</b>                                | <b>467,607</b> |

A: Mr Halliday, was formerly Managing Director until 15 December 2017, at which time he stepped down to Non-Executive Director and Mr Radonjic (formerly Technical Director) was appointed as Managing Director.

B: The fair value of the options is calculated at the date of grant using a Black-Scholes model. Refer to Section 11(H) for further details of options issued during the June 2019 financial year.

C: Other amounts includes the Directors and Officers insurance of \$9,870 in total and the payment of fees owed to Mr Ashton, of \$5,000, Mr Jetter of \$35,000 and Mr Radonjic of \$31,500.

## 11. Remuneration Report (continued)

### H Details of Share Based Payments and Bonuses

There were no bonuses issued or paid during the year.

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 tables show the percentages of the options granted that vested and forfeited during the year. Further information on the options is set out in the note 23 to the financial statements.

During the current financial year, 11,500,000 incentive options were issued to Directors and Other Key Management Personnel. Details of the options issued and exercised are as follows:

|                                | Granted<br>No. | Value of<br>options<br>granted during<br>the year<br>\$ | Total<br>Remuneration<br>Represented by<br>Options | Exercised<br>No. | Other<br>changes<br>No | Lapsed<br>No. |
|--------------------------------|----------------|---|--|------------------|------------------------|---------------|
| <b>30 June 2019</b>            |                |   |  |                  |                        |               |
| Non-Executive Directors        |                |   |  |                  |                        |               |
| Mr M Ashton                    | 2,500,000      | 31,284  | 16.5%  | -                | -                      | -             |
| Mr H Halliday                  | 3,000,000      | 37,541  | 15.1%  | -                | -                      | -             |
| Mr J Jetter                    | 2,500,000      | 31,284  | 14.9%  | -                | -                      | -             |
| Executive                      |                |   |  |                  |                        |               |
| Mr A Radonjic                  | 3,500,000      | 43,798  | 7.4%   | -                | -                      | -             |
| Other key management personnel |                |   |  |                  |                        |               |
| Mr J Byrde <sup>B</sup>        | -              | -   | 19.5%  | -                | -                      | -             |
| <b>30 June 2018</b>            |                |   |  |                  |                        |               |
| Non-Executive Directors        |                |   |  |                  |                        |               |
| Mr M Ashton                    | -              | -   | -  | -                | -                      | -             |
| Mr J Jetter                    | -              | -   | -  | -                | -                      | -             |
| Executive                      |                |   |  |                  |                        |               |
| Mr H Halliday <sup>A</sup>     | -              | -   | -  | (7,045,000)      | -                      | -             |
| Mr A Radonjic <sup>A</sup>     | -              | -   | -  | (4,760,000)      | -                      | -             |
| Other key management personnel |                |   |  |                  |                        |               |
| Mr J Byrde                     | 1,500,000      | 21,112  | 4.6%   | -                | -                      | -             |

A The options exercised on 19 March 2018 had market values of \$239,530 for Mr Halliday and \$161,840 for Mr Radonjic. The exercise price of the options granted were both \$0.001 or \$7,045 and \$4,760 respectively.

B Share based payments to Mr Byrde relate to options issued in the June 2018 financial year and represents the vested portion of the options during the June 2019 financial year.

## 11. Remuneration Report (continued)

### H Details of Share Based Payments and Bonuses (continued)

| Director/Executive  | Issue Date | Expiry Date | % Vested in Year | Exercise Price | Number of Options |
|---------------------|------------|-------------|------------------|----------------|-------------------|
| <b>30 June 2019</b> |            |             |                  |                |                   |
| Mr M Ashton         | 5-Dec-18   | 12-Apr-23   | 0%               | \$0.001        | 2,500,000         |
| Mr H Halliday       | 5-Dec-18   | 12-Apr-23   | 0%               | \$0.001        | 3,000,000         |
| Mr A Radonjic       | 5-Dec-18   | 12-Apr-23   | 0%               | \$0.001        | 3,500,000         |
| Mr J Jetter         | 5-Dec-18   | 12-Apr-23   | 0%               | \$0.001        | 2,500,000         |
| Mr J Byrde          | -          | -           | -                | -              | -                 |
| <b>30 June 2018</b> |            |             |                  |                |                   |
| Mr M Ashton         | -          | -           | -                | -              | -                 |
| Mr H Halliday       | -          | -           | -                | -              | -                 |
| Mr A Radonjic       | -          | -           | -                | -              | -                 |
| Mr J Jetter         | -          | -           | -                | -              | -                 |
| Mr J Byrde          | 20 Apr 18  | 12 Apr 23   | 0%               | \$0.001        | 1,500,000         |

The assessed fair value at grant date of options granted is allocated equally over the period from grant date to estimated 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.

### I. Service Agreements

Remuneration and other key terms of employment for the Executives, Non-Executives and Other Group Executives of Venture Minerals Limited are formalised in executive service agreements. Termination benefits are within the limits set by the Corporations Act 2001. Major provisions of the agreements relating to remuneration are set out below:

| Name  | Term of agreement | Base salary <sup>A</sup> (per Agreement)                                    | Other <sup>B</sup> | Termination benefit     |
|---|-------------------|---|--------------------|-------------------------|
| Mr M Ashton<br>Non-Executive<br>Chairman            | No fixed term     | \$70,000  | -                  | No termination benefits |
| Mr A Radonjic<br>Managing Director                  | No fixed term     | \$229,950   | -                  | 6 months                |
| Mr H Halliday<br>Non-Executive Director             | No fixed term     | \$20,000  | \$80,000           | 3 months                |
| Mr J Jetter<br>Non-Executive Director               | No fixed term     | \$50,000  | -                  | No termination benefits |
| Mr J Byrde <sup>C</sup><br>CFO/Company<br>Secretary | No fixed term     | \$54,750 –<br>increased to<br>\$64,700 from<br>period ending 29<br>May 2019 |                    | 3 months                |

A Includes 9.5% superannuation.

B Management Consulting Agreement.

C Mr Byrde's agreement increased remuneration from \$164,750 to \$197,100 including super split evenly across 3 entities on 29 May 2019.

## 11. Remuneration Report (continued)

### J. Equity instruments held by key management personnel

The tables below show the number of:

(I) options over ordinary shares in the Company, and

(II) shares held in the Company

that were held during the financial year by key management personnel of the Group, including their close family members and entities related to them.

#### (I) Option holdings

|                                       | Balance<br>at start of<br>the year | Granted as<br>remuneration | Exercised                | Other<br>changes | Balance at<br>end of the<br>year | Vested and<br>exercisable |
|---------------------------------------|------------------------------------|----------------------------|--------------------------|------------------|----------------------------------|---------------------------|
| <b>30 June 2019</b>                   |                                    |                            |                          |                  |                                  |                           |
| Directors of Venture Minerals Limited |                                    |                            |                          |                  |                                  |                           |
| Mr M Ashton                           | -                                  | 2,500,000                  | -                        | -                | 2,500,000                        | -                         |
| Mr A Radonjic                         | -                                  | 3,500,000                  | -                        | -                | 3,500,000                        | -                         |
| Mr H Halliday                         | -                                  | 3,000,000                  | -                        | -                | 3,000,000                        | -                         |
| Mr J Jetter                           | 2,030,000                          | 2,500,000                  | -                        | -                | 4,530,000                        | 1,030,000                 |
| Other key management personnel        |                                    |                            |                          |                  |                                  |                           |
| Mr J Byrde                            | 1,500,000                          | -                          | -                        | -                | 1,500,000                        | -                         |
| <b>30 June 2018</b>                   |                                    |                            |                          |                  |                                  |                           |
| Directors of Venture Minerals Limited |                                    |                            |                          |                  |                                  |                           |
| Mr M Ashton                           | -                                  | -                          | -                        | -                | -                                | -                         |
| Mr H Halliday                         | 7,045,000                          | -                          | (7,045,000) <sup>A</sup> | -                | -                                | -                         |
| Mr A Radonjic                         | 4,760,000                          | -                          | (4,760,000) <sup>A</sup> | -                | -                                | -                         |
| Mr J Jetter                           | 2,030,000                          | -                          | -                        | -                | 2,030,000                        | 1,030,000                 |
| Other key management personnel        |                                    |                            |                          |                  |                                  |                           |
| Mr J Byrde                            | -                                  | 1,500,000                  | -                        | -                | 1,500,000                        | -                         |

A: The options exercised on 19 March 2018 had market values of \$239,530 for Mr Halliday and \$161,840 for Mr Radonjic. The exercise price of the options granted were both \$0.001 or \$7,045 and \$4,760 respectively.

## 11. Remuneration Report (continued)

### J. Equity instruments held by key management personnel (continued)

#### (II) 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.

| 2019                                  | Balance at the start of the year | Received on exercise of options | Other changes | Balance at the end of the year |
|---------------------------------------|----------------------------------|---------------------------------|---------------|--------------------------------|
| Directors of Venture Minerals Limited |                                  |                                 |               |                                |
| Mr M Ashton                           | 3,045,000                        | -                               | 1,218,000     | 4,263,000                      |
| Mr A Radonjic                         | 7,708,000                        | -                               | 1,350,000     | 9,058,000                      |
| Mr H Halliday                         | 14,387,500                       | -                               | 1,350,000     | 15,737,500                     |
| Mr J Jetter                           | 2,759,000                        | -                               | 1,103,600     | 3,862,600                      |
| Other key management                  |                                  |                                 |               |                                |
| Mr J Byrde                            | -                                | -                               | -             | -                              |

| 2018                                  | Balance at the start of the year | Received on exercise of options | Other changes | Balance at the end of the year |
|---------------------------------------|----------------------------------|---------------------------------|---------------|--------------------------------|
| Directors of Venture Minerals Limited |                                  |                                 |               |                                |
| Mr M Ashton                           | 3,045,000                        | -                               | -             | 3,045,000                      |
| Mr H Halliday                         | 7,342,500                        | 7,045,000                       | -             | 14,387,500                     |
| Mr A Radonjic                         | 2,948,000                        | 4,760,000                       | -             | 7,708,000                      |
| Mr J Jetter                           | 2,759,000                        | -                               | -             | 2,759,000                      |
| Other key management                  |                                  |                                 |               |                                |
| Mr J Byrde                            | -                                | -                               | -             | -                              |

### K. Loans to key management personnel

There were no loans made to Directors and other key management personnel of the Group, including their close family members.

### L. Other transactions with key management personnel

Mr Halliday is a Non-Executive Director of Blackstone Minerals and Alicanto Minerals Limited which shares either office and/or administration service costs on normal commercial terms and conditions. Director, Mr Radonjic is Technical Director of Blackstone Minerals Limited which shares office and administration service costs on normal commercial terms and conditions.

Mr Radonjic is a Director of Onedin Enterprises Pty Ltd who provide GIS services on an arm's length basis on normal commercial terms.

## 11. Remuneration Report (continued)

### L. Other transactions with key management personnel (continued)

Aggregate amounts of each of the above types of other transactions with key management personnel of Venture Minerals Limited:

|   | 2019<br>\$ | 2018<br>\$ |
|---|------------|------------|
| <b>(i) Recharges to KMP related entities</b>    |            |            |
| Recharge of rent and shared office costs        |            |            |
| Recharges to Alicanto Minerals Limited          | 22,352     | 50,805     |
| Recharges to Blackstone Minerals Limited        | 34,126     | 119,018    |
| <b>(ii) Purchases from KMP related entities</b> |            |            |
| Rent of office building and shared office costs |            |            |
| Payments to Blackstone Minerals Limited         | 209,209    | 272,117    |
| Payments to Onedin Enterprises Pty Ltd          | 5,350      | 3,434      |

**End of remuneration report.**

## 12. Shares under Option

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

| Date options granted | Expiry Date  | Exercise Price | Number under Option |
|----------------------|--------------|----------------|---------------------|
| 19 July 19           | 18 Jun 20    | 3.5 cents      | 39,045,912          |
| 1 July 19            | 18 Jun 20    | 3.5 cents      | 104,122,460         |
| 5 Dec 18             | 12 Apr 23    | 0.1 cents      | 11,500,000          |
| 20 Apr 18            | 12 Apr 23    | 0.1 cents      | 5,500,000           |
| 17 Nov 17            | 30 Nov 19    | 5.0 cents      | 250,000             |
| 30 Oct 17            | 30 Oct 19    | 3.0 cents      | 4,000,000           |
| 1 Dec 16             | 30 Nov 19    | 5.0 cents      | 250,000             |
| 24 Dec 15            | 31 Aug 20    | 0.1 cents      | 3,727,000           |
| 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 completes its first shipment of DSO product.

Note B: 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.

Note C: 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.

### Shares issued on the exercise of options

No options were exercised by Directors and other key management personnel during the year.

### 13. Insurance of Officers

During the financial year, Venture Minerals Limited paid a premium of \$9,870 (2018: \$9,985) to insure the Directors and secretary of the Company.

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.

### 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      | Full meetings of Directors |                   | Remuneration Committee meetings |                   |
|---------------|----------------------------|-------------------|---------------------------------|-------------------|
|               | Number Eligible to Attend  | Meetings Attended | Number Eligible to Attend       | Meetings Attended |
| Mr M Ashton   | 5                          | 5                 | -                               | -                 |
| Mr A Radonjic | 5                          | 5                 | -                               | -                 |
| Mr H Halliday | 5                          | 5                 | -                               | -                 |
| Mr J Jetter   | 5                          | 1                 | -                               | -                 |

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) 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, by the Tasmania Environmental Protection Authority (EPA) and by the Federal Minister for the Environment, Heritage and Water in relation to the Riley DSO Hematite Project.

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 2019 has been received and can be found on page 42 of the Directors' report.

The Company engaged Stanton International a related practice to provide an indicative valuation for options issued at a fee of \$500 (2018: Nil). The Board of Directors has considered the position and are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- a. all non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor
- b. none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

The Auditor's audit remuneration is disclosed in Note 5.

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



**Andrew Radonjic**  
Managing Director

Perth, Western Australia, 30 September 2019

### Competent Persons Statement

The information in this report that relates to Exploration Results, Exploration Targets and Minerals Resources is based on information compiled by Mr Andrew Radonjic, a fulltime employee of the company and who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Andrew Radonjic has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 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 Mineral Resources for the Mount Lindsay and Livingstone Projects is based on information compiled by Mr Andrew Radonjic, a fulltime employee of the company and who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Andrew Radonjic has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 and 2012 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. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this report that relates to Ore Reserves is based on information compiled by Mr Peter George, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr George is an independent consultant. Mr George has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr George consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**Notes:** All material assumptions and technical parameters underpinning the Minerals Resource estimate referred to within previous ASX announcements continue to apply and have not materially changed list last reported. The company is not aware of any new information or data that materially affects the information included in the said announcement.

30 September 2019

The Directors  
Venture Minerals Limited  
Level 3, 24 Outram Street  
WEST PERTH WA 6005

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 2019, 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 sincerely,

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**



**Martin Michalik**  
Director

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These financial statements cover Venture Minerals Limited 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  
Level 3, 24 Outram Street  
West Perth WA 6005

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 4 to 28 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 2019. 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).

For the Year Ended 30 June 2019

|   | Notes | Consolidated<br>2019<br>\$ | 2018<br>\$         |
|---|-------|----------------------------|--------------------|
| <b>Continuing Operations</b>  |       |                            |                    |
| Revenue from continuing operations  | 3(a)  | 23,836                     | 30,567             |
| Other income  | 3(b)  | 196,149                    | 4,782              |
| Administrative costs  |       | (463,467)                  | (264,584)          |
| Consultancy expenses  |       | (143,908)                  | (144,929)          |
| Employee benefits expense   | 4(a)  | (366,747)                  | (451,111)          |
| Share based payment expenses  | 23    | (122,017)                  | (10,035)           |
| Occupancy expenses  | 4(b)  | (60,387)                   | (73,795)           |
| Compliance and regulatory expenses  |       | (84,516)                   | (70,960)           |
| Insurance expenses  |       | (38,283)                   | (40,008)           |
| Depreciation expense  | 4(c)  | (16,782)                   | (30,085)           |
| Finance costs   | 4(d)  | (13,349)                   | (14,151)           |
| Impairment of plant and equipment   | 9     | -                          | (808,920)          |
| Exploration Expenditure   | 10    | (1,746,299)                | (1,637,936)        |
| <b>Loss before income tax from continuing operations</b>                  |       | <b>(2,835,770)</b>         | <b>(3,511,165)</b> |
| Income tax (expense)/benefit  | 6     | -                          | -                  |
| <b>Loss attributable to owners from continuing operations</b>             |       | <b>(2,835,770)</b>         | <b>(3,511,165)</b> |
| <b>Discontinued Operations</b>  |       |                            |                    |
| Loss from discontinued operations   | 24    | (147,252)                  | -                  |
| <b>Loss attributable to owners</b>  |       | <b>(2,983,022)</b>         | <b>(3,511,165)</b> |
| <b>Other comprehensive income:</b>  |       |                            |                    |
| Items that may be reclassified to profit or loss                          |       |                            |                    |
| Exchange differences on translation of foreign operations de-consolidated | 24    | 15,016                     | 22,720             |
| Items that will not be classified to profit or loss                       |       | -                          | -                  |
| <b>Total comprehensive loss attributable to owners</b>                    |       | <b>(2,968,006)</b>         | <b>(3,488,445)</b> |
| <b>Continuing Operations</b>  |       |                            |                    |
| Basic loss per share (cents per share)                                    | 17    | (0.5)                      | (0.9)              |
| Diluted loss per share (cents per share)                                  |       | N/A                        | N/A                |
| <b>Discontinuing Operations</b>   |       |                            |                    |
| Basic loss per share (cents per share)                                    | 17    | (0.03)                     | -                  |
| Diluted loss per share (cents per share)                                  |       | 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 2019

|  | Notes | Consolidated       |                    |
|--|-------|--------------------|--------------------|
|  |       | 30 June 2019<br>\$ | 30 June 2018<br>\$ |
| <b>Current Assets</b>                  |       |                    |                    |
| Cash and cash equivalents              | 7     | 4,688,027          | 2,308,957          |
| Trade and other receivables            | 8     | 106,798            | 121,396            |
| <b>Total Current Assets</b>            |       | <b>4,794,825</b>   | <b>2,430,353</b>   |
| <b>Non-Current Assets</b>              |       |                    |                    |
| Trade and other receivables            | 8     | 378,000            | 388,000            |
| Property, plant and equipment          | 9     | 21,583             | 169,491            |
| Exploration and evaluation expenditure | 10    | 75,000             | -                  |
| <b>Total Non-Current Assets</b>        |       | <b>474,583</b>     | <b>557,491</b>     |
| <b>Total Assets</b>                    |       | <b>5,269,408</b>   | <b>2,987,844</b>   |
| <b>Current Liabilities</b>             |       |                    |                    |
| Trade and other payables               | 11    | 408,475            | 522,535            |
| Provisions                             | 12    | 419,047            | 465,480            |
| <b>Total Current Liabilities</b>       |       | <b>827,522</b>     | <b>988,015</b>     |
| <b>Total Liabilities</b>               |       | <b>827,522</b>     | <b>988,015</b>     |
| <b>Net Assets</b>                      |       | <b>4,441,886</b>   | <b>1,999,829</b>   |
| <b>Equity</b>                          |       |                    |                    |
| Issued capital                         | 13    | 82,226,327         | 76,938,281         |
| Reserves                               | 15    | 441,619            | 304,586            |
| Accumulated losses                     |       | (78,226,060)       | (75,243,038)       |
| <b>Total Equity</b>                    |       | <b>4,441,886</b>   | <b>1,999,829</b>   |

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

## For the Year Ended 30 June 2019

| Consolidated  | Contributed<br>Equity | Accumulated<br>Losses | Foreign<br>Currency<br>Translation<br>Reserve | Option<br>Reserve | Total            |
|---|-----------------------|-----------------------|---|-------------------|------------------|
|   | \$                    | \$                    | \$  | \$                | \$               |
| Balance at 1 July 2017                                | 73,115,294            | (71,731,873)          | (37,736)                                      | 638,650           | 1,984,335        |
| Total comprehensive income for the year:              |                       |                       |   |                   |                  |
| Loss for the year                                     | -                     | (3,511,165)           | -   | -                 | (3,511,165)      |
| Foreign exchange differences                          | -                     | -                     | 22,720  | -                 | 22,720           |
|   | -                     | (3,511,165)           | 22,720  | -                 | (3,488,445)      |
| Transactions with owners in their capacity as owners: |                       |                       |   |                   |                  |
| Contributions of equity (net of transaction costs)    | 3,417,866             | -                     | -   | -                 | 3,417,866        |
| Equity settled share-based payment transactions       | 25,000                | -                     | -   | 44,546            | 69,546           |
| Exercise of options                                   | 380,121               | -                     | -   | (363,594)         | 16,527           |
|   | 3,822,987             | -                     | -   | (319,048)         | 3,503,939        |
| <b>Balance at 30 June 2018</b>                        | <b>76,938,281</b>     | <b>(75,243,038)</b>   | <b>(15,016)</b>                               | <b>319,602</b>    | <b>1,999,829</b> |
| Balance at 1 July 2018                                | 76,938,281            | (75,243,038)          | (15,016)                                      | 319,602           | 1,999,829        |
| Total comprehensive income for the year:              |                       |                       |   |                   |                  |
| Loss for the year                                     | -                     | (2,983,022)           | -   | -                 | (2,983,022)      |
| Foreign exchange differences                          | -                     | -                     | 15,016  | -                 | 15,016           |
|   | -                     | (2,983,022)           | 15,016  | -                 | (2,968,006)      |
| Transactions with owners in their capacity as owners: |                       |                       |   |                   |                  |
| Contributions of equity (net of transaction costs)    | 5,238,046             | -                     | -   | -                 | 5,238,046        |
| Equity settled share-based payment transactions       | 50,000                | -                     | -   | 122,017           | 172,017          |
|   | 5,288,046             | -                     | -   | 122,017           | 5,410,063        |
| <b>Balance at 30 June 2019</b>                        | <b>82,226,327</b>     | <b>(78,226,060)</b>   | <b>-</b>                                      | <b>441,619</b>    | <b>4,441,886</b> |

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

For the Year Ended 30 June 2019

|  | Note | Consolidated<br>2019<br>\$ | 2018<br>\$         |
|--|------|----------------------------|--------------------|
| <b>Cash Flows from Operating Activities</b>                |      |                            |                    |
| Payments to suppliers and employees                        |      | (1,173,063)                | (838,958)          |
| Interest received  |      | 23,393                     | 32,477             |
| Payments for exploration and evaluation                    |      | (2,021,063)                | (1,242,933)        |
| Other income   |      | 35,988                     | -                  |
| <b>Net cash (outflow) from operating activities</b>        | 18   | <b>(3,134,745)</b>         | <b>(2,049,414)</b> |
| <b>Cash Flows from Investing Activities</b>                |      |                            |                    |
| Purchase of property, plant and equipment                  |      | -                          | (35,464)           |
| Proceeds from the sales of property, plant and equipment   |      | 290,768                    | -                  |
| Payment for Mineral Tenements                              |      | (25,000)                   | -                  |
| Refund of security bond                                    |      | 10,000                     | -                  |
| <b>Net cash inflow/(outflow) from investing activities</b> |      | <b>275,768</b>             | <b>(35,464)</b>    |
| <b>Cash Flows from Financing Activities</b>                |      |                            |                    |
| Proceeds from issue of shares and other equity securities  |      | 5,703,607                  | 3,726,535          |
| Share issue transaction costs                              |      | (465,560)                  | (267,143)          |
| <b>Net cash inflow from financing activities</b>           |      | <b>5,238,047</b>           | <b>3,459,392</b>   |
| <b>Net increase in cash and cash equivalents</b>           |      | <b>2,379,070</b>           | <b>1,374,514</b>   |
| Cash and cash equivalents at the start of the year         |      | 2,308,957                  | 934,443            |
| <b>Cash and cash equivalents at the end of the year</b>    | 7    | <b>4,688,027</b>           | <b>2,308,957</b>   |

**Non-cash Financing and Investing Activities**

During the period, 2,000,000 ordinary shares at \$0.025 were issued to the Vendors of the Golden Grove North Project, taking the total cost of acquisition to \$25,000 cash and \$50,000 of equity, totalling \$75,000.

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

This note provides a list of all significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements cover Venture Minerals Limited 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 and Interpretations issued by 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) Historical cost convention

These financial statements have been prepared on an accrual basis under the historical cost convention, modified where applicable by amendment of fair value of financial assets and financial liabilities.

### (b) Principles of Consolidation

#### (i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of the consolidated entity as at 30 June 2019 and the results of the parent and all subsidiaries for the year then ended.

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the 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.

#### (ii) Joint arrangements

Under AASB 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Venture Minerals Limited has joint operations.

#### (iii) Joint operations

Venture Minerals Limited recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses.

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

### (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. Venture Minerals overseas subsidiary Venture Thailand Pty Ltd has a functional currency of Thai Baht and converted to the group presentational currency in accordance with the company's accounting policy.

#### (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 of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges, 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.

#### (iii) 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.

### (e) Revenue recognition

The Group has applied AASB 15 Revenue from Contracts with Customers effective from 1 July 2018 using the cumulative effective method. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue. The adoption of AASB 15 does not have a significant impact on the Group as the Group does not currently have any significant revenues from customers.

#### (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.

#### (ii) Other income

Revenue from other income, rendering goods and services is measured at the fair value of consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities when control of the asset is transferred to the customer or services rendered.

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

### (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.

### (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.

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

### (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

The exploration and evaluation expenditure accounting policy is to expense expenditure as incurred other than for the capitalisation of acquisition costs.

### (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      | 40.0% |
| Motor vehicles                   | 40.0% |
| Leasehold improvements           | 25.0% |

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.

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

### (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 Option Scheme (EIOS), 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.

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.

### (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.

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

### (q) Earnings per share (continued)

#### (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) Financial instruments

#### ***Recognition, initial measurement and derecognition***

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### ***Classification and subsequent measurement***

##### ***Financial assets***

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

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

### (s) Financial instruments (continued)

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- The contractual cash flow characteristics of the financial assets; and
- The entities business model for managing the financial asset.

#### *Financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

#### *Financial assets at fair value through other comprehensive income*

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading.

#### *Financial assets at fair value through profit or loss (FVPL)*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

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

### (s) Financial instruments (continued)

#### ***Financial liabilities***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

#### ***Impairment***

From 1 July 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### ***Comparative information***

The Group has applied AASB 9 *Financial Instruments* retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

#### ***Classification***

Until 30 June 2018, the group classified its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments; and
- available-for-sale financial assets.

The classification depended on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting period.

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

### (t) New accounting standards and interpretations adopted by the Group

The Group has adopted AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments which became effective for financial reporting periods commencing on or after 1 January 2018.

#### (i) *AASB 15 Revenue from contracts with customers*

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenues related interpretations. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue to be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The adoption of AASB 15 does not have a significant impact on the Group as the Group does not currently have any revenue from customers.

#### (ii) *AASB 9 Financial Instruments*

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting.

As a result of adopting AASB 9 Financial Instruments, the Group has amended its financial instruments accounting policies to align with AASB 9. AASB 9 makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

There were no financial instruments which the Group designated at fair value through profit or loss under AASB 139 that were subject to reclassification. The Board assessed the Group's financial assets and determined the application of AASB 9 does not result in a change in the classification of the financial instruments.

The adoption of AASB 9 does not have a significant impact on the financial report.

### New and revised Accounting Standards for Application in Future Periods

#### (iii) *AASB 16: Leases* applies to annual reporting periods beginning on or after 1 January 2019.

This Standard supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, AASB interpretation 115 Operating Leases-Incentives and AASDB interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of lease. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117.

The key features of AASB 16 are as follows:

- Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.
- A lessee measures right of use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.
- Assets and Liabilities arising from the lease are initially measured on a present value basis.
- The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend to lease, or not to exercise an option to terminate the lease.
- AASB 16 contains disclosure requirements for leases.

Lessor accounting

- AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

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

### **(t) New accounting standards and interpretations adopted by the Group (continued)**

- AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.

Estimated impact of AASB 16 on the Group when the standard is applied.

There will be no material impact on the Group's operating profit as a result of the adoption of AASB 16, the impact on the profit and loss is limited to the non-cancellable operating leases as specified in note 19(b) is \$62,415 which will be amortised over the life of the lease.

### **New 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 January 2017 affected any of the amounts recognised in the current period or any prior period, although it caused minor changes to the Group's disclosures.

## **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) 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 23.

### **(ii) Deferred Tax Assets**

Deferred tax assets are recognised for deductible temporary differences when management considers that is probable that future taxable profits will be available to utilise those temporary differences.

|  | Consolidated<br>2019<br>\$ | 2018<br>\$     |
|--|----------------------------|----------------|
| <b>3. Revenue</b>  |                            |                |
| (a) From continuing operations                                   |                            |                |
| Interest received  | 23,836                     | 30,567         |
| Total revenue from continuing operations                         | <u>23,836</u>              | <u>30,567</u>  |
| (b) Other income   |                            |                |
| Other income   | 35,824                     | 4,782          |
| Net gain on disposal of property, plant and equipment            | 160,325                    | -              |
| Total other income   | <u>196,149</u>             | <u>4,782</u>   |
| <b>4. Expenses</b>   |                            |                |
| Loss before income tax includes the following specific expenses: |                            |                |
| (a) Employee benefits expense                                    |                            |                |
| Salary and wages expense   | 262,648                    | 358,101        |
| Other employee provisions  | 44,876                     | 59,375         |
| Defined contribution superannuation expense                      | 59,223                     | 33,635         |
| Total employee benefits expense                                  | <u>366,747</u>             | <u>451,111</u> |
| (b) Occupancy expense  |                            |                |
| Operating lease expense  | 40,551                     | 55,127         |
| Other occupancy costs  | 19,836                     | 18,668         |
| Total occupancy expense  | <u>60,387</u>              | <u>73,795</u>  |
| (c) Depreciation of non-current assets                           |                            |                |
| Plant and equipment - office                                     | 4,965                      | 6,528          |
| Plant and equipment - field                                      | 1,353                      | 2,467          |
| Furniture and equipment - office                                 | 1,678                      | 2,457          |
| Leasehold improvements   | 7,462                      | 16,423         |
| Motor vehicles   | 1,324                      | 2,210          |
| Total depreciation of non-current assets (refer to note 9)       | <u>16,782</u>              | <u>30,085</u>  |
| (d) Finance costs in respect of finance leases                   |                            |                |
| Other bank and finance charges                                   | 13,349                     | 14,151         |
| Total finance costs in respect of finance leases                 | <u>13,349</u>              | <u>14,151</u>  |
| <b>5. Auditor's Remuneration</b>                                 |                            |                |
| Remuneration of the auditor of the group                         |                            |                |
| Auditing or reviewing the financial statements                   | 38,365                     | 29,576         |
| Non-audit services   | 500                        | -              |
| Total auditor remuneration                                       | <u>38,865</u>              | <u>29,576</u>  |

|           |  | Consolidated |             |
|-----------|--|--------------|-------------|
|           |  | 2019         | 2018        |
|           |  | \$           | \$          |
| <b>6.</b> | <b>Income Tax Expense</b>  |              |             |
| (a)       | Income tax expense   |              |             |
|           | Current tax  | -            | -           |
|           | Deferred tax   | -            | -           |
|           | Total income tax (expense)/benefit   | -            | -           |
|           | Deferred income tax expense included in income tax expense comprises:  |              |             |
|           | (Increase) in deferred tax assets (Note 6(c))  | -            | -           |
|           | Increase in deferred tax liabilities (Note 6(d))   | -            | -           |
|           |  | -            | -           |
| (b)       | Numerical reconciliation of income tax expense to prima facie tax payable  |              |             |
|           | Profit/(loss) from continuing operations before income tax expense   | (2,835,770)  | (3,511,165) |
|           | Tax (tax benefit) at the tax rate of 27.50% (2018: 27.50%)   | (779,837)    | (965,570)   |
|           | Tax effect of amounts which are not deductible (taxable) in calculating taxable income:  |              |             |
|           | Share based payments   | 33,555       | 3,011       |
|           | Other non-deductible amounts   | 7,668        | 49,900      |
|           | Disposal of foreign operations   | 890,284      | -           |
|           | Prior year adjustment  | 260,148      | -           |
|           |  | 411,818      | (912,659)   |
|           | Unrecognised tax losses  | (411,818)    | 912,659     |
|           | Income tax expense   | -            | -           |
| (c)       | Deferred tax assets  |              |             |
|           | Tax losses   | -            | -           |
|           | Employee benefits  | -            | -           |
|           | Other accruals   | -            | -           |
|           | Total deferred tax assets  | -            | -           |
|           | Set-off deferred tax liabilities (Note 6(d))   | -            | -           |
|           | Net deferred tax assets  | -            | -           |
| (d)       | Deferred tax liabilities   |              |             |
|           | Exploration expenditure  | -            | -           |
|           | Other  | -            | -           |
|           | Total deferred tax liabilities   | -            | -           |
|           | Set-off deferred tax assets (Note 6(c))  | -            | -           |
|           | Net deferred tax liabilities   | -            | -           |
| (e)       | Tax losses   |              |             |
|           | Unused tax losses for which no DTA has been recognized (Note A)  | 63,576,872   | 65,074,392  |
|           | Potential tax benefit at 27.50% (2018: 27.50%)   | 17,483,640   | 17,895,458  |
| (f)       | Unrecognised temporary differences   |              |             |
|           | Unrecognised deferred tax asset relating to capital raising costs  | 520,191      | 248,305     |
|           | Note A: Tax losses carried forward have declined from prior year. The tax loss for the year amounted to \$1,497,520. However, the Group has forfeited tax losses as a result of the discontinued operations in Thailand amounting to \$3,237,396 |              |             |

|           |   | Consolidated |           |
|-----------|---|--------------|-----------|
|           |   | 2019         | 2018      |
|           |   | \$           | \$        |
| <b>7.</b> | <b>Cash &amp; Cash Equivalents</b>  |              |           |
| (a)       | Cash & cash equivalents   |              |           |
|           | Cash at bank and in hand  | 4,688,027    | 608,957   |
|           | Deposits at call  | -            | 1,700,000 |
|           | Total cash and cash equivalents   | 4,688,027    | 2,308,957 |
| (b)       | Cash at bank and on hand  |              |           |
|           | Cash on hand is non-interest bearing. Cash at bank bears interest rates between 0.00% and 0.75% (2018: 0.00% and 1.00%).  |              |           |
| (c)       | Deposits at call  |              |           |
|           | There were no deposits at call during the year. (2018: 2.15% and 2.72%).  |              |           |
| <b>8.</b> | <b>Trade &amp; Other Receivables</b>  |              |           |
| (a)       | Current   |              |           |
|           | Other receivables   | 103,684      | 102,635   |
|           | Prepayments   | 3,114        | 18,761    |
|           | Total current trade and other receivables   | 106,798      | 121,396   |
| (b)       | Non-Current   |              |           |
|           | Deposits <sup>1</sup>   | 378,000      | 388,000   |
|           | Total non-current trade and other receivables   | 378,000      | 388,000   |
|           | <sup>1</sup> Deposits include cash of \$343,000 (2018: \$353,000) to secure a bank guarantee facility to provide a corporate credit card facility and security deposits required by the relevant authority for the granted exploration and mining licences. A further \$35,000 (2018: \$35,000) is held in cash by the relevant authority for granted mining licence. |              |           |
| (c)       | Past due and impaired receivables   |              |           |
|           | As at 30 June 2019, there were no other receivables that were past due or impaired (2018: 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 16.  |              |           |

| Consolidated                              | Plant & Equipment<br>\$ | Furniture & Equipment<br>\$ | Leasehold Improvements<br>\$ | Motor Vehicle<br>\$ | Land<br>\$ | Mining equipment<br>\$ | Total<br>\$ |
|---|-------------------------|-----------------------------|------------------------------|---------------------|------------|------------------------|-------------|
| <b>9. Property, Plant &amp; Equipment</b> |                         |                             |                              |                     |            |                        |             |
| <b>Year ended 30 June 2019</b>            |                         |                             |                              |                     |            |                        |             |
| Opening net book amount                   | 16,874                  | 8,273                       | 11,192                       | 3,313               | 129,839    | -                      | 169,491     |
| Additions                                 | -                       | -                           | -                            | -                   | -          | -                      | -           |
| Depreciation charge                       | (6,318)                 | (1,678)                     | (7,462)                      | (1,324)             | -          | -                      | (16,782)    |
| Disposal <sup>B</sup>                     | (1,287)                 | -                           | -                            | -                   | (129,839)  | -                      | (131,126)   |
| Effect of exchange rates                  | -                       | -                           | -                            | -                   | -          | -                      | -           |
| Closing net book amount                   | 9,269                   | 6,595                       | 3,730                        | 1,989               | -          | -                      | 21,583      |
| <b>At 30 June 2019</b>                    |                         |                             |                              |                     |            |                        |             |
| Cost or fair value                        | 135,740                 | 48,778                      | 27,615                       | 65,676              | -          | -                      | 277,809     |
| Accumulated depreciation                  | (126,471)               | (42,183)                    | (23,885)                     | (63,687)            | -          | -                      | (256,226)   |
| Net book amount                           | 9,269                   | 6,595                       | 3,730                        | 1,989               | -          | -                      | 21,583      |
| <b>Year ended 30 June 2018</b>            |                         |                             |                              |                     |            |                        |             |
| Opening net book amount                   | 17,884                  | 14,244                      | -                            | 5,523               | 129,839    | 805,406                | 972,896     |
| Additions                                 | 7,849                   | -                           | 27,615                       | -                   | -          | -                      | 35,464      |
| Impairment <sup>A</sup>                   | -                       | (3,514)                     | -                            | -                   | -          | (805,406)              | (808,920)   |
| Depreciation charge                       | (8,995)                 | (2,457)                     | (16,423)                     | (2,210)             | -          | -                      | (30,085)    |
| Effect of exchange rates                  | 136                     | -                           | -                            | -                   | -          | -                      | 136         |
| Closing net book amount                   | 16,874                  | 8,273                       | 11,192                       | 3,313               | 129,839    | -                      | 169,491     |
| <b>At 30 June 2018</b>                    |                         |                             |                              |                     |            |                        |             |
| Cost or fair value                        | 141,478                 | 48,778                      | 27,615                       | 65,676              | 129,839    | -                      | 413,386     |
| Accumulated depreciation                  | (124,604)               | (40,505)                    | (16,423)                     | (62,363)            | -          | -                      | (243,895)   |
| Net book amount                           | 16,874                  | 8,273                       | 11,192                       | 3,313               | 129,839    | -                      | 169,491     |

A: In the prior year an impairment charge has been recognised in relation to mining equipment held at written down value of \$805,406 following impairment testing in accordance with AASB 136 where it was reasonable to conclude at reporting date the recoverable amount would be less than the carrying value at 30 June 2018. The carrying value has been written down to nil.

B: During the year land held by Venture Tasmania Pty Ltd was disposed of for \$250,000 for a total profit of \$120,161.

|   | Consolidated<br>2019<br>\$ | 2018<br>\$  |
|---|----------------------------|-------------|
| <b>10. Exploration &amp; Evaluation Expenditure</b>   |                            |             |
| <b>(a) Non-current</b>  |                            |             |
| Opening balance   | -                          | -           |
| Exploration and acquisition costs   | 1,821,299                  | 1,637,936   |
| Write offs/provisions   | (1,746,299)                | (1,637,936) |
| Total non-current exploration and evaluation expenditure  | 75,000                     | -           |
| <b>(b) The value of the group's interest in exploration expenditure is dependent upon:</b>  |                            |             |
| <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>   |                            |             |
| <p>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.</p> |                            |             |

|   | Consolidated<br>2019<br>\$ | 2018<br>\$     |
|---|----------------------------|----------------|
| <b>11. Trade &amp; Other Payables</b>               |                            |                |
| Current   |                            |                |
| Trade Payables                                      | 307,833                    | 231,382        |
| Other Payables                                      | 100,642                    | 291,153        |
| Total current trade & other payables                | <u>408,475</u>             | <u>522,535</u> |
| No trade or other payables are considered past due. |                            |                |
| <b>12. Provisions</b>                               |                            |                |
| Current   |                            |                |
| Employee entitlements                               | 419,047                    | 465,480        |
| Total current provisions                            | <u>419,047</u>             | <u>465,480</u> |

|  | Consolidated<br>2019<br>Shares | 2018<br>Shares     | Consolidated<br>2019<br>\$ | 2018<br>\$        |
|--|--------------------------------|--------------------|----------------------------|-------------------|
| <b>13. Contributed Equity</b>  |                                |                    |                            |                   |
| (a) Issued and unissued capital  |                                |                    |                            |                   |
| Ordinary shares – fully paid   | 651,344,444                    | 493,959,173        | 79,876,955                 | 76,938,281        |
| Unissued capital (note 13d)  | -                              | -                  | 2,349,372                  | -                 |
| Total issued capital   | <u>651,344,444</u>             | <u>493,959,173</u> | <u>82,226,327</u>          | <u>76,938,281</u> |
| (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 14. |                                |                    |                            |                   |

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2019

|  | Date       | Number of Shares   | Issue Price \$ | Total \$          |
|--|------------|--------------------|----------------|-------------------|
| <b>(d) Movements in issued capital</b>         |            |                    |                |                   |
| Opening Balance 1 July 2017                    |            | 320,910,028        |                | 73,115,294        |
| Share Issue                                    | 18-Sept-17 | 46,717,663         | 0.020          | 934,353           |
| Issue of shares Muggon Copper                  | 30-Oct-17  | 1,041,667          | 0.024          | 25,000            |
| Exercise of options*                           | 30-Oct-17  | 1,750,000          | 0.023          | 40,250            |
| Share Issue                                    | 30-Oct-17  | 48,282,314         | 0.020          | 965,646           |
| Exercise of options*                           | 12-Jan-18  | 1,030,000          | 0.023          | 23,690            |
| Exercise of options*                           | 19-Mar-18  | 11,805,000         | 0.023          | 271,515           |
| Share Issue                                    | 25-May-18  | 60,480,501         | 0.030          | 1,814,415         |
| Exercise of options*                           | 25-May-18  | 1,942,000          | 0.023          | 44,666            |
| Less transaction costs                         |            |                    |                | (296,548)         |
| Closing Balance at 30 June 2018                |            | <u>493,959,173</u> |                | <u>76,938,281</u> |
| Opening Balance 1 July 2018                    |            | 493,959,173        |                | 76,938,281        |
| Placement                                      | 18-Jul-18  | 24,652,832         | 0.030          | 739,585           |
| Acquisition of Tenements                       | 10-Aug-18  | 2,000,000          | 0.025          | 50,000            |
| Placement                                      | 31-May-19  | 78,091,800         | 0.020          | 1,561,836         |
| Issues of shares under Entitlement Offer       | 31-May-19  | 52,640,639         | 0.020          | 1,052,813         |
| Less transaction costs                         |            |                    |                | (465,560)         |
| Closing Balance at 30 June 2019                |            | <u>651,344,444</u> |                | <u>79,876,955</u> |
| <b>(e) Unissued capital**</b>                  | 30-June-19 | <u>117,468,600</u> | 0.020          | <u>2,349,372</u>  |
| <b>Total Issued and Unissued Share Capital</b> |            | <u>768,813,044</u> |                | <u>82,226,327</u> |

Note:  
 \* The value of the options exercised includes the amount transferred from the option premium reserve and the funds received on exercise of the options  
 \*\* Unissued share capital of \$2,349,372 relate to funds received prior to 30 June 2019 for shares to be issued under the Placement and Entitlement Offer announced on 20 May 2019. These shares were issued on 1 July 2019.

| Expiry date                                   | Exercise price | Balance at start of year | Granted during the year | (Exercised) during the year | Cancelled/lapsed during the year | Balance at end of the year |
|---|----------------|--------------------------|-------------------------|-----------------------------|----------------------------------|----------------------------|
| <b>14. Issued Share Options</b>               |                |                          |                         |                             |                                  |                            |
| <b>(a) 2019 unlisted share option details</b> |                |                          |                         |                             |                                  |                            |
| 31 Aug 20                                     | 0.1 cents      | 3,727,000                | -                       | -                           | -                                | 3,727,000                  |
| 12 Apr 23                                     | 0.1 cents      | 5,500,000                | 11,500,000              | -                           | -                                | 17,000,000                 |
| 30 Oct 19                                     | 3.0 cents      | 4,000,000                | -                       | -                           | -                                | 4,000,000                  |
| 30 Nov 19                                     | 5.0 cents      | 500,000                  | -                       | -                           | -                                | 500,000                    |
| N/A <sup>1</sup>                              | 45.0 cents     | 1,000,000                | -                       | -                           | -                                | 1,000,000                  |
| N/A <sup>2</sup>                              | 50.0 cents     | 2,000,000                | -                       | -                           | -                                | 2,000,000                  |
| N/A <sup>3</sup>                              | 55.0 cents     | 2,500,000                | -                       | -                           | -                                | 2,500,000                  |
|   |                | <u>19,227,000</u>        | <u>11,500,000</u>       | -                           | -                                | <u>30,727,000</u>          |
| Weighted average exercise price               |                | \$0.155                  | \$0.001                 |                             |                                  | \$0.097                    |
| <b>(b) 2018 unlisted share option details</b> |                |                          |                         |                             |                                  |                            |
| 31 Aug 20                                     | 0.1 cents      | 20,254,000               | -                       | (16,527,000)                | -                                | 3,727,000                  |
| 12 Apr 23                                     | 0.1 cents      | -                        | 5,500,000               | -                           | -                                | 5,500,000                  |
| 30 Oct 19                                     | 3.0 cents      | -                        | 4,000,000               | -                           | -                                | 4,000,000                  |
| 30 Nov 19                                     | 5.0 cents      | 250,000                  | 250,000                 | -                           | -                                | 500,000                    |
| N/A <sup>1</sup>                              | 45.0 cents     | 1,000,000                | -                       | -                           | -                                | 1,000,000                  |
| N/A <sup>2</sup>                              | 50.0 cents     | 2,000,000                | -                       | -                           | -                                | 2,000,000                  |
| N/A <sup>3</sup>                              | 55.0 cents     | 2,500,000                | -                       | -                           | -                                | 2,500,000                  |
|   |                | <u>26,004,000</u>        | <u>9,750,000</u>        | <u>(16,527,000)</u>         | -                                | <u>19,227,000</u>          |
| Weighted average exercise price               |                | \$0.098                  | \$0.014                 | \$0.001                     |                                  | \$0.155                    |

1: To vest upon successfully obtaining project financing for the Mt Lindsay Tin/Tungsten Project, expire 18 months after vesting

2: To vest upon first shipment of DSO ore, expire 18 months after vesting

3: Vest upon company announcement that it has made a decision to proceed with mining tin in Tasmania, expire 18 months after vesting

|  | Consolidated<br>2019<br>\$ | 2018<br>\$      |
|--|----------------------------|-----------------|
| <b>15. Reserves</b>  |                            |                 |
| (a) Unlisted option reserve  |                            |                 |
| Opening balance  | 319,602                    | 638,650         |
| Share based payments expense   | 122,017                    | 44,546          |
| Exercise of options  | -                          | (363,594)       |
| Total unlisted option reserve  | <u>441,619</u>             | <u>319,602</u>  |
| <p>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 "EIOS", 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 14.</p> |                            |                 |
| (b) Foreign currency translation reserve   |                            |                 |
| Opening balance  | (15,016)                   | (37,736)        |
| Exchange differences arising on translation of foreign operations de-consolidated during the year.   | 15,016                     | 22,720          |
| Closing Balance  | <u>-</u>                   | <u>(15,016)</u> |
| <p>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 profit or loss when the net Investment is disposed of.</p>  |                            |                 |
| (c) Total reserves   |                            |                 |
| Unlisted option reserve  | 441,619                    | 319,602         |
| Exchange differences arising on translation of foreign operations  | -                          | (15,016)        |
| Closing Balance  | <u>441,619</u>             | <u>304,586</u>  |

## 16. 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, with foreign currency risk considered immaterial. The Board reviews and agrees policies for managing each of these risks and they are summarised below:

**16. Financial Instruments, Risk Management Objectives and Policies (continued)****(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<br>Average<br>Interest<br>Rate | Floating<br>Interest<br>Rate | Fixed<br>Interest | Non-<br>interest<br>bearing | Total            |
|---|---|------------------------------|-------------------|-----------------------------|------------------|
|   | %                                       | \$                           | \$                | \$                          | \$               |
| <b>2019</b>                             |   |                              |                   |                             |                  |
| <b>Financial Assets</b>                 |   |                              |                   |                             |                  |
| Cash and cash equivalents               | 0.75%                                   | 4,629,503                    | -                 | 58,524                      | 4,688,027        |
| Trade & other receivables - current     | 0.00%                                   | -                            | -                 | 103,684                     | 103,684          |
| Trade & other receivables - non-current | 1.60%                                   | -                            | 343,000           | 35,000                      | 378,000          |
|   |   | <u>4,629,503</u>             | <u>343,000</u>    | <u>197,208</u>              | <u>5,169,711</u> |
| <b>Financial Liabilities</b>            |   |                              |                   |                             |                  |
| Trade & other payables - current        | 0.00%                                   | -                            | -                 | 408,475                     | 408,475          |
|   |   | <u>-</u>                     | <u>-</u>          | <u>408,475</u>              | <u>408,475</u>   |

| Consolidated                            | Weighted<br>Average<br>Interest<br>Rate | Floating<br>Interest<br>Rate | Fixed<br>Interest | Non-<br>interest<br>bearing | Total            |
|---|---|------------------------------|-------------------|-----------------------------|------------------|
|   | %                                       | \$                           | \$                | \$                          | \$               |
| <b>2018</b>                             |   |                              |                   |                             |                  |
| <b>Financial Assets</b>                 |   |                              |                   |                             |                  |
| Cash and cash equivalents               | 2.04%                                   | 13,387                       | 1,700,000         | 595,570                     | 2,308,957        |
| Trade & other receivables - current     | 0.00%                                   | -                            | -                 | 102,635                     | 102,635          |
| Trade & other receivables - non-current | 2.57%                                   | -                            | 353,000           | 35,000                      | 388,000          |
|   |   | <u>13,387</u>                | <u>2,053,000</u>  | <u>733,205</u>              | <u>2,799,592</u> |
| <b>Financial Liabilities</b>            |   |                              |                   |                             |                  |
| Trade & other payables - current        | 0.00%                                   | -                            | -                 | 522,535                     | 522,535          |
|   |   | <u>-</u>                     | <u>-</u>          | <u>522,535</u>              | <u>522,535</u>   |

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.

**16. Financial Instruments, Risk Management Objectives and Policies (continued)****(b) 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 2019, the group's exposure to interest rate risk is not considered material.

**(c) 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.

**(d) 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.

**(e) Net fair value**

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

| Consolidated                            | 2019                  |                      | 2018                  |                      |
|---|-----------------------|----------------------|-----------------------|----------------------|
|   | Carrying Amount<br>\$ | Net fair Value<br>\$ | Carrying Amount<br>\$ | Net fair Value<br>\$ |
| <b>Financial assets</b>                 |                       |                      |                       |                      |
| Cash and cash equivalents               | 4,688,027             | 4,688,027            | 2,308,957             | 2,308,957            |
| Trade & other receivables - current     | 103,684               | 103,684              | 102,635               | 102,635              |
| Trade & other receivables - non-current | 378,000               | 378,000              | 388,000               | 388,000              |
|   | <u>5,169,711</u>      | <u>5,169,711</u>     | <u>2,799,592</u>      | <u>2,799,592</u>     |
| <b>Financial Liabilities</b>            |                       |                      |                       |                      |
| Trade and other payables - current      | 408,475               | 408,475              | 522,535               | 522,535              |
|   | <u>408,475</u>        | <u>408,475</u>       | <u>522,535</u>        | <u>522,535</u>       |

|   |  | Consolidated |             |
|---|--|--------------|-------------|
|   |  | 2019         | 2018        |
|   |  | \$           | \$          |
| <b>17. Earnings per Share</b>   |  |              |             |
| <b>(a) Earnings/(Loss)</b>  |  |              |             |
| Earnings/(loss) from continuing operations used in the calculation of basic EPS   |  | (2,835,770)  | (3,511,165) |
| Earnings/(loss) from discontinued operations used in the calculation of basic EPS   |  | (147,252)    | -           |
| <b>(b) Weighted average number of ordinary shares ('WANOS')</b>   |  |              |             |
| WANOS used in the calculation of basic earnings per share:  |  | 529,916,723  | 401,393,518 |
| <b>(c) Diluted Loss Per Share</b>   |  |              |             |
| Diluted loss per share is considered to be the same as the basic loss per share, as the potential ordinary shares on issue are anti-dilutive and have not been applied in calculated dilutive loss per share. The Group does not have any potentially dilutive ordinary securities. |  |              |             |

|  | Consolidated<br>2019<br>\$ | 2018<br>\$         |
|--|----------------------------|--------------------|
| <b>18. Cash Flow Information</b>   |                            |                    |
| a) Reconciliation of cash flows from operating activities with loss from ordinary activities after income tax: |                            |                    |
| (Loss) attributable to owners after income tax   | (2,983,022)                | (3,511,165)        |
| Depreciation   | 16,782                     | 30,085             |
| Share based payments   | 122,017                    | 10,035             |
| Impairment of plant and equipment  | -                          | 808,920            |
| Gain on sales of property, plant and equipment   | (160,325)                  | -                  |
| Net exchange differences   | -                          | 22,720             |
| Changes in assets and liabilities:   |                            |                    |
| - (Increase)/Decrease in operating receivables & prepayments   | 30,296                     | 142,965            |
| - Increase/(decrease) in trade and other payables  | (114,060)                  | 354,802            |
| - Increase/(decrease) in employee provisions   | (46,433)                   | 92,224             |
| Net cash (outflows) from Operating Activities  | <u>(3,134,745)</u>         | <u>(2,049,414)</u> |
| a) Non-cash investing and financing  |                            |                    |
| Share-based payments expense – acquisition of mineral tenements.   | 50,000                     | 25,000             |
| Share-based payments expense -share issue costs  | -                          | 29,407             |
| Refer to note 23 for further details.  |                            |                    |

|   | Consolidated<br>2019<br>\$ | 2018<br>\$       |
|---|----------------------------|------------------|
| <b>19. Commitments</b>  |                            |                  |
| (a) Exploration commitments   |                            |                  |
| Not longer than one year  | 1,547,045                  | 1,013,530        |
| Longer than one year, but not longer than five years  | 3,474,754                  | 4,054,119        |
| Longer than five years  | -                          | -                |
|   | <u>5,021,799</u>           | <u>5,067,649</u> |
| 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. |                            |                  |
| (b) Non-cancellable operating lease commitments   |                            |                  |
| Not longer than one year  | 62,415                     | -                |
| Longer than one year, but not longer than five years  | -                          | -                |
| Longer than five years  | -                          | -                |
|   | <u>62,415</u>              | <u>-</u>         |
| The company has made commitments with respect to two rental properties in Tasmania and site offices and facilities associated with its Riley Iron Ore Project. The commitments are for an initial period of 6 months.   |                            |                  |

## 20. Events Occurring After Balance Date

On 1 July 2019, the Company issued 104,122,460 listed options (ASX Code: VMSOB) at \$0.035, expiring on 18 June 2020 under the Placement and Entitlement Offer announced on 20 May 2019.

On 28 June 2019, the Company announced it had issued 155,604,163 ordinary shares with an issue date of 1 July 2019 under the retail offer and shortfall under the Placement and Entitlement Offer announced on 20 May 2019. Funds were received for 117,468,600 shares or \$2,349,372 prior to year-end, with the remaining 38,135,563 or \$762,711 received post year end. The total 155,604,163 ordinary shares were issued on 1 July 2019.

On 19 July 2019, the Company issued 39,045,912 listed options (ASX Code: VMSOB) at \$0.035, expiring on 18 June 2020, under the Placement and Entitlement Offer announced on 20 May 2019.

On 22 August 2019, the Board committed to recommencing its Riley Iron Ore mine following the completion of the updated Mining Study with post tax cash generation of A\$31M, pre-production capital of A\$3.6M and a post-tax NPV of A\$27M

There were no further material events subsequent to balance date.

## 21. 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 amounts provided to the board of directors with respect to total assets and profit or loss is measured in a manner consistent with that of the financial statements. Assets are allocated to a segment based on the operations of the segment and the physical location of the asset.

The board monitors the entity primarily from a geographical perspective, and has identified three operating segments, being exploration for mineral reserves within Australia and Thailand 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                           |                 |                 | Total<br>\$ |
|---------------------------------------|---------------------------------------|-----------------|-----------------|-------------|
|                                       | South East<br>Asia <sup>1</sup><br>\$ | Australia<br>\$ | Corporate<br>\$ |             |
| <b>2019 Extract</b>                   |                                       |                 |                 |             |
| Total segment revenue                 | -                                     | -               | 23,836          | 23,836      |
| Interest revenue                      | -                                     | -               | 23,836          | 23,836      |
| Other income                          | -                                     | 44,173          | 151,976         | 196,149     |
| Depreciation and amortisation expense | -                                     | 1,353           | 15,429          | 16,782      |
| Total segment loss before income tax  | (147,252)                             | (1,746,299)     | (1,089,471)     | (2,983,022) |
| <b>2018 Extract</b>                   |                                       |                 |                 |             |
| Total segment revenue                 | -                                     | -               | 30,567          | 30,567      |
| Interest revenue                      | -                                     | -               | 30,567          | 30,567      |
| Impairment Expense                    | -                                     | 805,406         | 3,514           | 808,920     |
| Depreciation and amortisation expense | 769                                   | 2,257           | 27,059          | 30,085      |
| Total segment loss before income tax  | (395,376)                             | (2,108,111)     | (1,007,678)     | (3,511,165) |
| Total segment assets                  |                                       |                 |                 |             |
| 30 June 2019                          | -                                     | 75,000          | 5,194,408       | 5,269,408   |
| 30 June 2018                          | 42,354                                | 129,840         | 2,815,650       | 2,987,844   |
| Total segment liabilities             |                                       |                 |                 |             |
| 30 June 2019                          | -                                     | 113,798         | 713,724         | 827,522     |
| 30 June 2018                          | 77,408                                | 89,995          | 820,612         | 988,015     |

1. During the period, the South East Asia segment, ceased operations in Thailand and formerly liquidated the company Venture Minerals (Thailand) Ltd a wholly owned subsidiary of the Venture T Pty Ltd a wholly owned subsidiary of Venture Minerals Limited (Parent). The Thailand segment contributed to a net loss of \$147,252 to the Group.

**21. Segment Information (continued)****(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 \$23,836 (2018: \$30,567) were derived from one 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.

**22. Related Party Transactions****(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 compensations**

|  | Consolidated   |                |
|--|----------------|----------------|
|  | 2019           | 2018           |
|  | \$             | \$             |
| <b>Key Management Personnel Compensation</b>       |                |                |
| Short-term employee benefits                       | 563,547        | 444,667        |
| Post-employment benefits                           | 27,899         | 20,203         |
| Share-based payments                               | 84,029         | 2,737          |
| <b>Total key management personnel compensation</b> | <b>675,475</b> | <b>467,607</b> |

Detailed remuneration disclosures are provided within the remuneration report which can be found on pages 32 to 39 of the directors' report.

**(d) Transactions with other related parties**

The following transactions occurred with related parties:

|  | Consolidated |         |
|--|--------------|---------|
|  | 2019         | 2018    |
|  | \$           | \$      |
| <b>Recharges to director related entities (excluding GST):</b>   |              |         |
| Recharges of costs to Alicanto Minerals Limited                  | 22,352       | 50,805  |
| Recharges of costs to Blackstone Minerals Limited                | 34,126       | 119,018 |
| <b>Purchases from director related entities (excluding GST):</b> |              |         |
| Recharges of shared costs from Blackstone Minerals Limited       | 209,209      | 272,117 |
| Recharges of shared costs from Onedin Enterprises Pty Ltd        | 5,350        | 3,434   |

**22. Related Party Transactions (continued)****(d) Transactions with other related parties (continued)**

|  | Consolidated |        |
|--|--------------|--------|
|  | 2019         | 2018   |
|  | \$           | \$     |
| Outstanding balances arising from recharges/purchases with Director Related Parties: |              |        |
| Current receivables  | 7,673        | 13,379 |
| Current payables   | -            | 59,100 |

**(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.

**23. Share Based Payments**

The Directors have established an Employee Incentive Option Scheme ('EIOS') 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.

**(b) Fair value of unlisted options granted****30 June 2019***Fair value of performance options granted with performance conditions*

During the year, the Company issued 5,750,000 unlisted options to Directors vesting 18 months after date of issue subject to remaining a director or employee of the Company. The weighted average fair value of the 5,750,000 options granted in the current year was 2.4363 cents per option.

*Fair value of performance options granted with market conditions*

During the year, the Company issued 5,750,000 performance options vesting upon the shares trading at \$0.10 based on a 10-day volume weighted average share price. The assessed fair value at was 0.3 cents per as at 31 December 2018. The fair value at grant date is determined using Black Scholes Model adjusted to include the possibility of not achieving the market based condition. The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

**30 June 2018**

There were 9,750,000 options with a weighted average exercise price of \$0.014, with a weighted average expiry of 3.0 years, granted in the prior year financial year ended 30 June 2018. The weighted average fair value of the options granted was \$0.012. The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

|   | 2019  | 2018  |
|---|-------|-------|
| Weighted average exercise price (cents)         | 0.1   | 1.4   |
| Weighted average life of the option (years)     | 4.35  | 3.7   |
| Weighted average underlying share price (cents) | 2.2   | 3.0   |
| Expected share price volatility                 | 115%  | 85.0% |
| Weighted average risk free interest rate of     | 2.23% | 2.17% |

**23. Share Based Payments (continued)**

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 are set out in Note 14.

|  | Consolidated<br>2019 | 2018   |
|--|----------------------|--------|
|  | \$                   | \$     |
| Unlisted options                                       |                      |        |
| Options issued to directors, employees and consultants | 122,017              | 10,035 |
| Share issue costs                                      | -                    | 29,407 |
| Exploration Expenditure                                | 50,000               | 25,000 |

**24. Discontinued Operations**

The amounts presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income under discontinued operations related the liquidation of Venture Minerals (Thailand) Ltd a wholly owned subsidiary of the Venture T Pty Ltd a wholly owned subsidiary of Venture Minerals Limited (Parent).

|   | 2019<br>\$       |
|---|------------------|
| <b>(a) Loss from Discontinued Operations</b>                        |                  |
| Writeback of Provisions in Prior Year                               | 76,718           |
| Exploration Expenditure   | (267,435)        |
| Foreign currency translation on expenditure                         | 43,465           |
| <b>Total Loss from Discontinued Operations</b>                      | <b>(147,252)</b> |
|   | 2019<br>\$       |
| <b>(b) Other Comprehensive Income</b>                               |                  |
| Disposal of Foreign Operations Foreign Currency Translation Reserve | 15,016           |
| <b>Total Other Comprehensive Income</b>                             | <b>15,016</b>    |

**25. Contingent Liabilities**

The contingent liability previously reported related to the potential to repay \$950,000 under an agreement with TasRail for certain rail and port infrastructure is no longer applicable as the agreement has been terminated. There are no further contingent liabilities at the date of this report.

**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> |           |
|-----------------------------------|--------------------------|-----------------|-----------------------------|-----------|
|                                   |                          |                 | 2019<br>%                   | 2018<br>% |
| 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 Lithium Pty Ltd           | Australia                | Ordinary        | 100                         | 100       |
| Venture Thailand Pty Ltd          | Australia                | Ordinary        | 100                         | 100       |
| Venture Thailand Ltd <sup>B</sup> | Thailand                 | Ordinary        | -                           | 100       |

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

B: On 31 December 2018, Venture Thailand Ltd was unincorporated and liquidated in Thailand.

|  | Company            |                    |
|--|--------------------|--------------------|
|  | 2019               | 2018               |
|  | \$                 | \$                 |
| <b>27. Parent Entity Information</b>   |                    |                    |
| (a) <b>Assets</b>  |                    |                    |
| Current assets   | 4,794,826          | 2,389,284          |
| Non-current assets   | 360,786            | 562,571            |
| <b>Total assets</b>  | <b>5,155,612</b>   | <b>2,951,855</b>   |
| (b) <b>Liabilities</b>   |                    |                    |
| Current liabilities  | 827,524            | 910,609            |
| Non-current liabilities  | -                  | -                  |
| <b>Total liabilities</b>   | <b>827,524</b>     | <b>910,609</b>     |
| (c) <b>Equity</b>  |                    |                    |
| Contributed equity   | 82,226,327         | 76,938,281         |
| Accumulated losses   | (78,339,858)       | (75,216,637)       |
| Reserves   | 441,619            | 319,602            |
| <b>Total equity</b>  | <b>4,328,088</b>   | <b>2,041,246</b>   |
| (d) <b>Total Comprehensive loss for the year</b>   |                    |                    |
| Loss for the year after income tax   | (3,123,221)        | (3,430,801)        |
| Other comprehensive income for the year  | -                  | -                  |
| <b>Total comprehensive loss for the year</b>   | <b>(3,123,221)</b> | <b>(3,430,801)</b> |
| (e) <b>Contingent Liabilities of the Parent Entity</b>   |                    |                    |
| The parent entity did not have any contingent liabilities as at 30 June 2019 or 30 June 2018 other than as disclosed in Note 25. |                    |                    |
| (f) <b>Guarantees entered into by the Parent Entity</b>  |                    |                    |
| 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 43 to 72 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 2019 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 32 to 39 of the directors' report comply with section 300A of the *Corporations Act 2001*; and
- (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 Managing Director 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.



**Andrew Radonjic**  
**Managing Director**

Perth, Western Australia, 30 September 2019

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

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of Venture Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Key Audit Matters**

We have defined the matter described below to be a key audit matter to be communicated in our report. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

| Key Audit Matters   | How the matter was addressed in the audit   |
|---|---|
| <p><b>Accounting for Discontinued Operations of Venture Minerals (Thailand) Ltd</b></p> <p>In December 2018, the Group ceased operations in Thailand and liquidated Venture Minerals (Thailand) Ltd, a wholly owned subsidiary of Venture T Pty Ltd, being a wholly owned subsidiary of Venture Minerals Limited, resulting in a total loss from Discontinued Operations of \$147,252 as disclosed in Note 24.</p> <p>Due to the level of judgment in regards to accounting for the discontinuing operations, including, amongst others, the date of cessation of operations, and the presentation of its results as discontinued operations and deconsolidation of the liquidated subsidiary, this is considered to be a key audit matter.</p> | <p>Our audit procedures included, inter alia, the following:</p> <ul style="list-style-type: none"> <li>i. Audit of Venture Minerals (Thailand) Ltd's trial balance for the period from 1 July 2018 to the date of cessation of operations to ensure that the results for the period were appropriately calculated and accounted for in accordance with AASB 5 <i>Non-current Assets held for Sale and Discontinued Operations</i>;</li> <li>ii. Assessing the reasonableness of consolidation adjustments in relation to Venture Minerals (Thailand) Ltd, correctly offsetting against parent balances where required, and calculating the loss from discontinued operations; and</li> <li>iii. Assessing the adequacy of the related disclosures in Note 24 to the financial statements.</li> </ul> |

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance opinion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. 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 of the financial report that gives a true and fair view 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.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of 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.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 32 to 39 of the directors' report for the year ended 30 June 2019. 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

**Opinion on the Remuneration Report**

In our opinion, the Remuneration Report of Venture Minerals Limited for the year ended 30 June 2019 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 2019

### Corporate Governance Statement

In accordance with ASX Listing Rule 4.10.3 the company's Corporate Governance Statement can be found on the company's website, refer to <http://www.ventureminerals.com.au/index.php/profile/corporate-governance>.

### Distribution of equity securities

Analysis of numbers of equity security holders by size of holding as at 18 September 2019 were as follows:

| Holding          | Number of shareholders     |               |
|------------------|----------------------------|---------------|
|                  | Fully Paid Ordinary Shares | Listed Option |
| 1- 1,000         | 186                        | 52            |
| 1,001 - 5,000    | 584                        | 138           |
| 5,001 - 10,000   | 466                        | 70            |
| 10,001 - 100,000 | 1,567                      | 168           |
| 100,001 and over | 762                        | 135           |
|                  | <u>3,565</u>               | <u>563</u>    |

Holders of less than a marketable parcel: 3,160.

### Substantial Shareholders

The names of the substantial shareholders as at 18 September 2019:

| Shareholder                                    | Number      |
|--|-------------|
| Republic Investment Management Pte Ltd         | 118,472,533 |
| Delphi Unternehmensberatung Aktiengesellschaft | 58,945,605  |

### 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         | To vest upon successfully obtaining project financing for the Mt Lindsay Tin/Tungsten Project     | 18 months after vesting | 1,000,000         | 1                 |
| Unlisted options | \$0.50         | To vest upon first shipment of DSO ore  | 18 months after vesting | 2,000,000         | 1                 |
| Unlisted options | \$0.55         | Vest upon company announcement that it has made a decision to proceed with mining tin in Tasmania | 18 months after vesting | 2,500,000         | 1                 |
| Unlisted options | \$0.001        | Vested  | 31 August 2020          | 3,727,000         | 5                 |
| Unlisted options | \$0.03         | Vested  | 30 October 2019         | 4,000,000         | 4                 |
| Unlisted options | \$0.05         | Vested  | 30 November 2020        | 250,000           | 1                 |
| Unlisted Options | \$0.001        | Unvested  | 12 April 2023           | 5,500,000         | 5                 |
| Unlisted Options | \$0.001        | Unvested  | 12 April 2023           | 11,500,000        | 5                 |

## Equity security holders

The names of the twenty largest ordinary fully paid shareholders as at 18 September 2019 are as follows:

| Shareholder               | Number      | % Held of Issued Ordinary Capital |
|---------------------------|-------------|-----------------------------------|
| HSBC CUSTODY NOM AUST LTD | 117,882,232 | 14.61%                            |
| AKTIENGESELLSCHAFT D U    | 58,945,605  | 7.30%                             |
| ELPHINSTONE HLDGS PL      | 47,108,254  | 5.84%                             |
| CITICORP NOM PL           | 15,644,016  | 1.94%                             |
| J & J BANDY NOM PL        | 14,000,000  | 1.73%                             |
| HALLIDAY HAMISH PETER     | 13,122,500  | 1.63%                             |
| BNP PARIBAS NOMS PL       | 8,004,877   | 0.99%                             |
| ALFREDSTONN HLDGS PL      | 7,825,000   | 0.97%                             |
| WGS PL                    | 6,888,888   | 0.85%                             |
| RINTOUL C S + THOMAS A L  | 6,850,000   | 0.85%                             |
| RADONJIC LENORE THERESA   | 6,124,667   | 0.76%                             |
| SMITH MERLE + KATHRYN     | 5,947,570   | 0.74%                             |
| MALDEW HLDGS PL           | 5,200,000   | 0.64%                             |
| J P MORGAN NOM AUST PL    | 5,004,913   | 0.62%                             |
| SCINTILLA STRATEGIC INV L | 5,000,000   | 0.62%                             |
| *NORTON MATTHEW J + R F   | 4,866,451   | 0.60%                             |
| ALBERTA RES PL            | 4,732,665   | 0.59%                             |
| *WEBB 19 HLDGS PL         | 4,500,000   | 0.56%                             |
| INVIA CUST PL             | 4,200,000   | 0.52%                             |
| REBO NOM PL               | 4,200,000   | 0.52%                             |
|                           | 346,037,648 | 42.88%                            |

## Listed Options

The names of the twenty largest listed option holders as at 18 September 2019 are as follows:

| Shareholder               | Number     | % Held of Issued Ordinary Capital |
|---------------------------|------------|-----------------------------------|
| HSBC CUSTODY NOM AUST LTD | 22,535,396 | 14.61%                            |
| FIRST INV PTNRS PL        | 16,064,659 | 7.30%                             |
| AKTIENGESELLSCHAFT D U    | 12,700,000 | 5.84%                             |
| JACOBS S G + S D + M B    | 4,000,000  | 1.94%                             |
| M & K KORKIDAS PL         | 3,221,178  | 1.73%                             |
| TROCA ENTPS PL            | 3,167,839  | 1.63%                             |
| ELPHINSTONE HLDGS PL      | 3,072,278  | 0.99%                             |
| SMITH MERLE + KATHRYN     | 2,973,786  | 0.97%                             |
| NORTON MATTHEW J + R F    | 2,733,227  | 0.85%                             |
| SCINTILLA STRATEGIC INV L | 2,406,596  | 0.85%                             |
| J & J BANDY NOM PL        | 2,068,542  | 0.76%                             |
| J & J BANDY NOM PL        | 2,000,000  | 0.74%                             |
| AC YOUNG PL               | 1,882,194  | 0.64%                             |
| WIMALEX PL                | 1,562,500  | 0.62%                             |
| END GAME WA PL            | 1,500,000  | 0.62%                             |
| PARRY CAP MGNT LTD        | 1,500,000  | 0.60%                             |
| SMITH PETER S + D P       | 1,320,093  | 0.59%                             |
| BOND STREET CUSTS LTD     | 1,250,001  | 0.56%                             |
| ALFREDSTONN HLDGS PL      | 1,250,000  | 0.52%                             |
| THANG PL                  | 1,227,055  | 0.52%                             |
|                           | 88,435,344 | 61.76%                            |

## As at 18 September 2019

| Project                     | Location          | Tenement  | Interest |
|-----------------------------|-------------------|-----------|----------|
| Mount Lindsay               | Tasmania          | 3M/2012   | 100%     |
|                             | Tasmania          | 5M/2012   | 100%     |
|                             | Tasmania          | 7M/2012   | 100%     |
|                             | Tasmania          | EL21/2005 | 100%     |
|                             | Tasmania          | EL45/2010 | 100%     |
|                             | Tasmania          | EL72/2007 | 100%     |
| South West WA               | Western Australia | E70/4837  | 100%     |
|                             | Western Australia | E70/5067  | 100%     |
| Caesar Project <sup>1</sup> | Western Australia | E09/2131  | 0%       |
|                             | Western Australia | E09/2213  | 90%      |
| Pingaring                   | Western Australia | E70/5077  | 100%     |
| Golden Grove North          | Western Australia | E59/2285  | 95%      |
|                             | Western Australia | P59/2116  | 100%     |
|                             | Western Australia | E59/2243  | 100%     |
|                             | Western Australia | E59/2244  | 100%     |
|                             | Western Australia | E59/2288  | 100%     |
| Bottle Creek                | Western Australia | P29/2425  | 100%     |
|                             | Western Australia | P29/2426  | 100%     |
|                             | Western Australia | P29/2427  | 100%     |

Venture Minerals is earning up to a 90% interest from Muggon Copper Pty Ltd on E09/2131. E09/2213 is 90% held with a 10% interest held by Muggon Copper Pty Ltd with Venture earning up to 100%.

<sup>2</sup> A 5% interest is held by Galahad Resources Pty Ltd with Venture potentially earning up to 100%.

**Key**

EL or

E: Exploration Licence or Lease

P: Prospecting Lease

M: Mining Lease