



**ANNUAL  
REPORT  
2010**

ABN 51 119 678 385

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## Corporate Directory

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### **Non-Executive Chairman**

Mel Ashton

### **Managing Director**

Hamish Halliday

### **Technical Director**

Andrew Radonjic

### **Non-Executive Directors**

Bruce McFadzean

John Jetter

### **Company Secretary**

Brett Dunnachie

### **Principal & Registered Office**

181 Roberts Road

SUBIACO WA 6008

Telephone: (08) 9381 4222

Facsimile: (08) 9381 4211

### **Share Registry**

Security Transfer Registrars Pty Ltd

770 Canning Highway

APPLECROSS WA 6153

### **Auditors**

Stantons International

1 Havelock Street

WEST PERTH WA 6005

### **Bankers**

National Australia Bank

50 St Georges Terrace

PERTH WA 6000

### **Stock Exchange Listing**

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Code: VMS

### **Website Address**

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

Dear fellow Venture Minerals shareholders,

On behalf of the Directors of Venture Minerals Limited ("Venture"), I am pleased to present to shareholders the Company's Annual Report for the year ending 30 June 2010.

Venture has seen some major developments over the past year, in particular the discovery of high grade tin/tungsten at the Company's flagship Mt Lindsay Deposit in northwest Tasmania. The identification of broad, high grade tin and tungsten zones within the Main and No 2 Skarns, has elevated the Mt Lindsay Deposit to a world class discovery. The result of a series of exploration successes over the past 12 months has seen the Company achieve a 67% resource upgrade, growing the overall resource base to over 100,000 tonnes of tin/tungsten metal. In May this year the new resource was the subject of an updated scoping study, which concluded that a very strong commercial return could be achieved from developing the Mt Lindsay Project.

With the completion of a successful scoping study, Venture immediately commenced a pre-feasibility focussing on all aspects of mine development. The study is on schedule, with completion expected in the 4th quarter of 2010. In addition the Company has continued its aggressive approach to exploration with dedicated drill rigs continuing to test multiple targets throughout the year.

The Company has a commanding tenement position in northwest Tasmania and has drill tested less than 10% of its targets and delivered a world class tin/tungsten discovery. With a vast number of targets still to be tested the Company anticipates substantially increasing its resource base and potential mine life over the coming year. Over the past 12 months Venture has completed 13,645m of diamond core drilling, the majority of which has been focussed on the high grade tin and tungsten zones within the Main and No 2 Skarns. In March this year the drilling culminated in a major upgrade in the Company's resource base:

**Table 1: Combined Inferred Resources - Mt Lindsay**

Tin Equivalent Cut-off	Tonnes	Tin (Sn) Equivalent Grade	Tin (Sn) Grade	Tungsten Trioxide (WO <sub>3</sub> ) Grade
0.20%	36Mt	0.40%	0.20%	0.09%
0.45%	7.1Mt	0.81%	0.42%	0.29%

**Table 2: Combined Inferred Resources include standalone Tungsten Resource - Mt Lindsay**

Tungsten Trioxide Cut-off	Tonnes	Tungsten Trioxide (WO <sub>3</sub> ) Equivalent Grade	Tungsten Trioxide (WO <sub>3</sub> ) Grade	Tin (Sn) Grade
0.15%	5.0Mt	0.78%	0.40%	0.26%

Following the definition of over 100,000 tonnes of tin/tungsten metal Venture engaged a number of specialist consultants to assist in the completion of an independent scoping study targeting the high grade tin and tungsten resources. The scoping study concluded that the Mt Lindsay Project is very robust, with a high margin per tonne and an excellent internal rate of return.

**Scoping Study Highlights**

Operating revenue per annum	\$127m
Operating cost per annum	\$47m
Net cash per annum	\$80m
Net cash life of mine	\$531m
Capital Costs	\$130m
Internal Rate of Return	55% (50% Debt, 50% Equity)

Over and above the obvious benefits of discovering a major high grade resource, the Company's recent success has highlighted the potential for Mt Lindsay to host multiple deposits within parallel skarns. In addition to feasibility studies Venture will continue to dedicate drilling metres to exploration, focussing on the discovery of new high grade ore bodies within the greater Mt Lindsay system.

The coming year will see the Company again significantly advance the Mt Lindsay Project both through the completion of a prefeasibility study by year end, followed by the commencement of a bankable feasibility study scheduled for completion in 2011. Venture has again achieved significant milestones over the past year substantially increasing the value of its flagship asset. The Company recognises the dedication of its technical and managerial team and thanks both long standing and new shareholders for their continued support. The Directors look forward to an exciting year ahead as the Company seeks to realise the full potential of the Mt Lindsay Project.



**Mel Ashton**  
Non-Executive Chairman

The directors of Venture Minerals Limited submit herewith the consolidated financial statements of the Company and its controlled entities for the financial year ended 30 June 2010 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:

Mel Ashton	Non-Executive Chairman
Hamish Halliday	Managing Director
Andrew Radonjic	Technical Director
Bruce McFadzean	Non-Executive Director
John Jetter	Non-Executive Director (appointed Non-Executive Director on 8 June 2010)

### 2. Principal Activities

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

### 3. Operating Results

The loss of the consolidated entity after providing for income tax amounted to \$2,298,899 (2009: \$3,384,063).

### 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. Financial Position

The consolidated entity had \$9,884,326 in cash and cash equivalents as at 30 June 2010 (2009: \$2,639,893) which the Directors believe puts the consolidated entity in a sound financial position with sufficient capital to effectively explore its current landholdings.

### 6. Business Strategies & Prospects for the Forthcoming Year

Venture Minerals is currently focused upon an aggressive exploration program at its Mt Lindsay Project for iron ore, base metals, uranium, and gold mineralisation on its current portfolio of projects in Australia.

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

### 7. Significant Changes in the State of Affairs

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

- On 1 September 2009 the company completed a two tranche capital raising by issuing 40,000,000 at \$0.20 raising total funds of \$8,000,000.
- On 23 March 2010 the company announced a resource upgrade to in excess of 100,000 tonnes of tin/tungsten metal at 0.40% tin equivalent.
- On 24 March 2010 the company completed a \$5.44 million placement to a European cornerstone investor via the issue of 17,000,000 shares at \$0.32.
- On 14 May 2010 the company announced the completion of a scoping study which highlighted the potential for mining margins to increase by 300% to \$80 per tonne at the company's Mt Lindsay project.

## 8. Review of Operations

### Mount Lindsay Project

The Mount Lindsay Project is located 125km south, by sealed road, from the Port of Burnie in northwest Tasmania. The project area covers over 300 km<sup>2</sup> encompassing the south, west and northern margins and metamorphic aureole of the Meredith Granite. The Meredith Granite is part of a suite of Devonian granites which host several world class tin deposits including Renison Bell (>200,000t of tin metal produced), Mount Bischoff and Cleveland. In addition to the tin deposits the granites also host iron deposits (Savage River operating for >40 years), nickel deposits (Avebury), and poly-metallic deposits (Rosebery – operating for >75 years).

Locally Venture's Mt Lindsay Deposit is situated 15km north and along strike from the world class Renison Bell tin mine and 25km south of Australia's longest operating magnetite mine (Savage River). The Company's resource base at Mt Lindsay is situated within granted exploration licenses owned 100% by Venture. In addition to the extensive land position controlled directly by Venture, the Company has also earned a 70% interest in tin, tungsten and iron, through a joint venture with Bass Metals, covering a further 146km<sup>2</sup> of tenure.

### Mount Lindsay Tin/Tungsten Deposit

#### Introduction

The Mt Lindsay Deposit is hosted within a series of north northwest striking skarns which have been metasomatized by the Meredith Granite enriching the skarns with tin, tungsten and iron mineralization. Resources identified to date are hosted within the Main and No.2 Skarns which extend over a combined strike 2.4 kilometres and are situated immediately adjacent to existing infrastructure being located:

- 1.6km from a sealed road
- 23km by sealed road to existing rail (with spare capacity)
- 100km by rail to existing port facilities (with spare capacity)
- 1km from high voltage hydropower.
- Abundant water

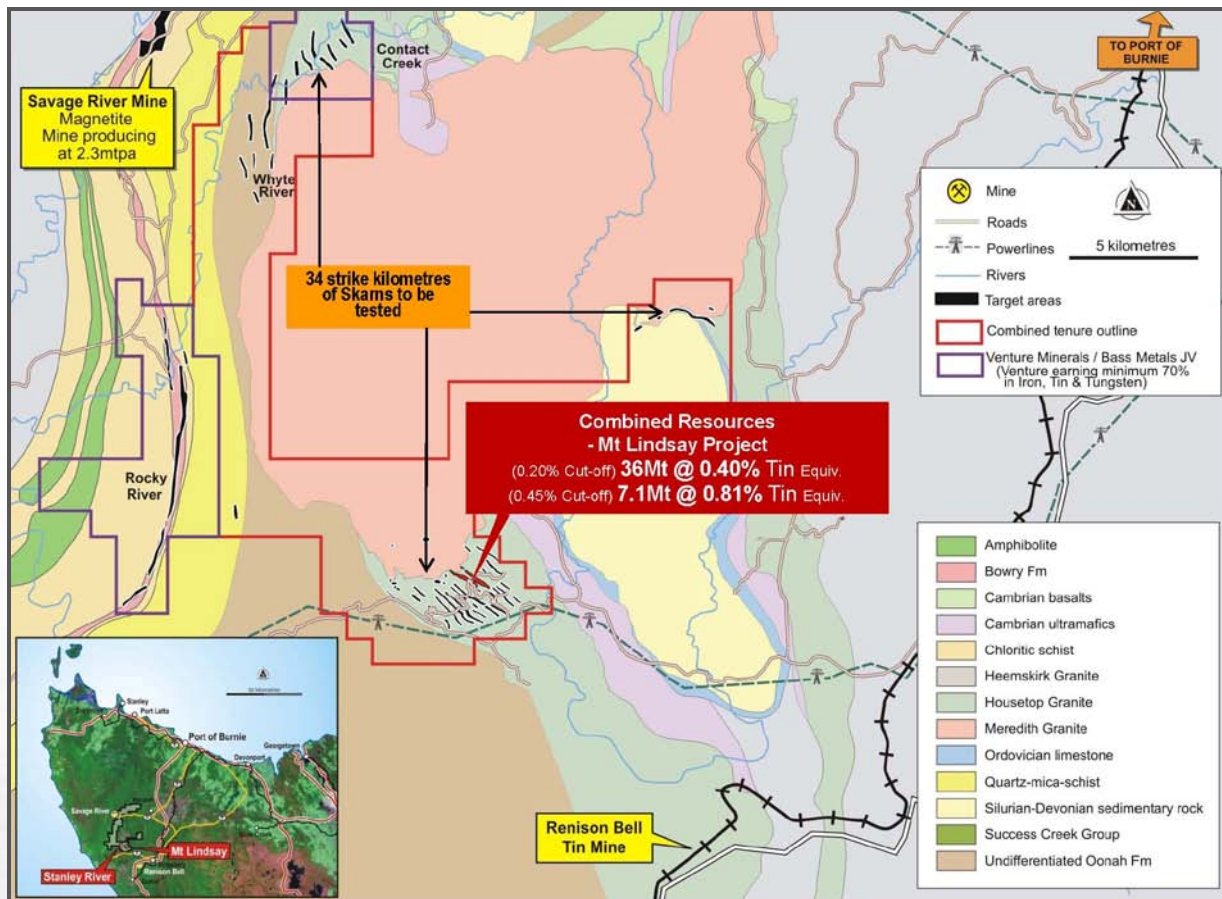


Figure 1: Regional Exploration Targets

## 8. Review of Operations (continued)

### Resource Base

The 2009/2010 year saw the Company complete an additional 13,645m of diamond core drilling at Mt Lindsay targeting the high grade tin and tungsten zones within the Main and No.2 Skarns. Drilling culminated in the definition of a world class, high grade tin/tungsten resource containing over 100,000 tonnes of metal.

**Table 3: Tin-Tungsten Resource Estimate as at 23 March 2010**

Tin Equiv cut-off Grade	Resource Category	Tonnes	Tin (Sn) Equivalent Grade	Tin (Sn) Grade	Tungsten Trioxide (WO3) Grade	Weight Recovery of Magnetic Iron (Fe)	Contained Tin	Contained Tungsten	Combined Metal
0.20%	Inferred	36Mt	0.40%	0.20%	0.09%	20%	71,000t	34,000t	105,000t
0.35%	Inferred	13Mt	0.61%	0.32%	0.19%	21%	42,000t	25,000t	67,000t
0.45%	Inferred	7.1Mt	0.81%	0.42%	0.29%	19%	30,000t	20,000t	50,000t

The preferred resource of 7.1mt @ 0.81% tin equivalent is considered high grade, when compared with the grade of large tin deposits worldwide which averages 0.4% tin. Resources at Mt Lindsay are also relatively shallow with approximately 75% of tin resources and approximately 93% of the tungsten resources occurring within 200m of the surface. In addition resources typically come to surface, exhibit excellent continuity, and are open at depth. These characteristics suggest Mt Lindsay will be very amenable to open pit mining.

### Scoping Study

A comprehensive scoping study was completed on Mt Lindsay in May this year, which concluded the Project had the potential to be a highly profitable mining operation. Resource optimisation studies undertaken revealed that the majority of high grade tin and tungsten ore was amenable to open pit mining. The scoping study assumed an annual throughput of 1 million tonnes per annum, with an initial 7 year mine life, producing high grade concentrates of iron, tin and tungsten, results included:

#### Key Economics\*

Operating revenue per annum	\$127m
Operating cost per annum	\$47m
Net cash per annum	\$80m
Net cash life of mine	\$531m
Capital costs	\$130m
Internal rate of return	55% (50% Debt, 50% Equity)

\* The key economics are on a pre-tax basis and at full production

The scoping study indicated that the Company has the potential to be a relatively low cost, high margin tin producer given some of the Project's key competitive advantages including:

- Access to existing infrastructure;
- Ore zones are amenable to open pit mining;
- Mineralization is typically 15-20m wide and comes to surface;
- Excellent metallurgy with high recoveries in tin, tungsten and iron; and
- Ability to generate revenue from multiple products

Following the completion of the scoping study the Company immediately commenced a detailed pre-feasibility study at the Mt Lindsay Project. The study will focus on all major aspects of mine development including detailed studies in resource estimation, metallurgy, geotechnical, hydrogeological, environmental, mine design and infrastructure and logistics. The aim of the pre feasibility study is to optimise the development of the Mt Lindsay Project and establish the financial parameters of the Project before commencing a bankable feasibility study.

### Metallurgical Test Work

Extensive metallurgical test work continues to be one of the main focuses at Mt Lindsay. Results over the past year have continued to be very favourable concluding once again that iron can be easily separated through magnetic separation and that high quality concentrates of tin (cassiterite) and tungsten (scheelite) can be produced through standard gravity and flotation techniques.

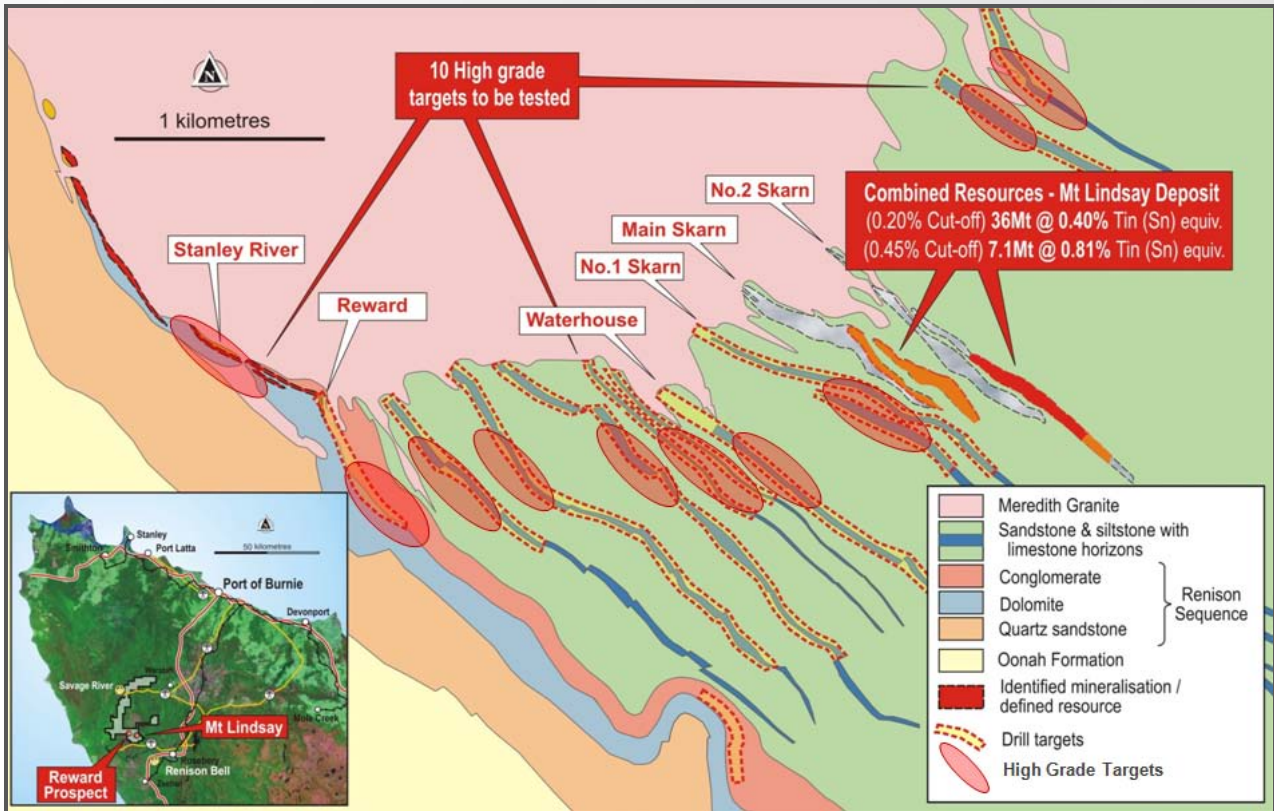
On-going test work will continue to refine the process route as the Company moves from pre-feasibility into bankable feasibility.

**8. Review of Operations (continued)**

**Exploration (Mt Lindsay)**

The discovery of the high grade tin and tungsten zones has given the Company's exploration team an added understanding of the controls on high grade mineralization. This knowledge is now being applied to the parallel skarns. The initial focus has been on the immediately adjacent No.1 and Waterhouse Skarns. Drilling to date has intersected similar mineral assemblages as what is observed in the Main and No.2 Skarns.

In addition to the No.1 and Waterhouse targets there are an additional 8 high priority drill targets identified within the Mt Lindsay area. With both the current ore bodies still open at depth and a large number of skarns still to be drill tested the Company is confident that the resource base can grow significantly over the coming year.



**Figure 2: Mt Lindsay Exploration**

**Exploration (Regional)**

With a commanding tenement package encompassing over 300 square kilometres of tenure containing over 34 strike kilometres of skarn targets, the Company believes the long term potential for multiple new discoveries in the greater Mt Lindsay area is significant.

Work over the past year has included first pass exploration and drilling at Rocky River, and first pass exploration at Webbs Creek and Contact Creek. Multiple skarn targets have now been identified at both Webbs Creek and Contact Creek in anticipation of maiden drill programs over the coming year.

Venture will continue to look for additional opportunities within the Company's current tenure as well look to build our regional presence through additional acquisitions.

## 8. Review of Operations (continued)

### **Maitland Channel Uranium and Nickel Project, Western Australia (Venture Minerals has 100%)**

Venture's Maitland Channel Project (330km<sup>2</sup>) covers over 48kms of the Tertiary channel system along strike from the Lake Maitland (Mega Uranium Limited), Centipede & Lake Way (Toro Energy Limited) and Yeelirrie (BHP Billiton) calcrete-hosted uranium deposits, in the North Eastern Goldfields of Western Australia. The Uranium part of the Project is spread over two areas, West Maitland and South East Yeelirrie, and includes radiometric anomalies analogous to the Lake Maitland deposit.

The Maitland Channel Project also includes the Devine Nickel Sulphide Prospect located in the western part the Dingo Range greenstone belt (80kms northeast of BHP Billiton's Leinster Nickel Operations). In the early 1970's Lone Star Exploration NL encountered 10 feet @ 0.75% Ni including an undefined interval grading 1.3% Ni, with adjacent zones on either side reporting 20 feet @ 0.45% Ni associated with disseminated sulphides in a series of ultramafic bodies.

Activities during the year saw the Company complete a 37 hole, aircore drill program (for 1,030.5 metres) at 3 of the uranium prospects within the project area. A total of 11 aircore holes were used to further evaluate the exploration target at West Maitland (Refer ASX Quarterly Report announcement 30/04/2009) with a best result of 2m @ 107ppm U<sub>3</sub>O<sub>8</sub> from a depth of 4 metres. A total of 6 aircore holes were used to test a new prospect called Lake Way, located 25kms NW of West Maitland, but no significant results were returned. The remaining 20 aircore holes were drilled to follow-up mineralisation previously intersected at the Henry's Well (now called West Darlot) prospect and to test new areas to the east, all within the South East Yeelirrie area. From this drilling only a single anomalous 4 metre composite came from the follow-up portion of the program.

In addition, the Company completed an Auger Drilling Program of 189 holes at Divine, south of the historic drill intersections and the area initially drill tested in 2007 (best result of 2m @ 0.7%Ni from 121m). This area contains two targets, both within the same ultramafic sequence but one target contains a greater thickness of the preferred flow units. Results are awaiting.

### **Paulsens South Project, Western Australia (Venture Minerals has 100%)**

The Paulsens South Project (covering 68km<sup>2</sup>) flanks and covers a similar stratigraphic and structural setting to Intrepid Mines Ltd's (recently sold to Northern Star Resources Ltd) high grade Paulsens Gold Mine, (pre-mining combined Measured and Indicated Resources of 811,000t at 11.2g/t for 292,000oz Au, currently producing ~80,000 oz gold per annum) in the Ashburton Mineral Field of Western Australia.

During the year the Company completed some detailed mapping and sampling of the Highway Fault within E08/1457. From the 19 rock chip samples taken the maximum values returned for the major potentially economic elements were 0.42g/t Au, 219 g/t Ag, 0.56% Cu, 18.6% Pb & 1.13% Zn.

### **Harris Bluff and Kingoonya, Gawler Craton Projects, South Australia (Venture Minerals has 51% whilst earning up to 90%, except for the uranium rights)**

The Kingoonya Project (147km<sup>2</sup>) is located within the central Gawler gold province. Calcrete sampling by previous explorers within the Kingoonya Project area indicate broad zones of +5 ppb gold in calcrete anomalism which were never explained by subsequent reconnaissance drill programs. The Kingoonya Project area also hosts approximately 8kms of the Tertiary Kingoonya Palaeochannel which are prospective for roll-front uranium occurrences.

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

Mega Hindmarsh Pty Ltd ("Mega") a subsidiary of Toronto listed Mega Uranium Limited is currently in a joint venture with the Company for the Uranium rights over the two projects.

## 9. Matters Subsequent to the End of the Financial Year

There are no material events subsequent to balance date.

## 10. Likely Developments and Expected Results of Operations

The company will continue its mineral exploration activity at and around its exploration projects with the object of identifying commercial resources.

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.

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

Mel Ashton	Independent Non-Executive Chairman	
Qualifications	B.Com, FCA, FAICD	
Experience	Mr Ashton holds a Bachelor of Commerce degree from the University of Western Australia, is a fellow of the Institute of Chartered Accountants and a fellow of the Australian Institute of Company Directors. Mr Ashton also currently holds a number of board appointments, including a National Director of the Institute of Chartered Accountants, Director of The Hawaiian Group of Companies, Chairman of Cullen Wines (Australia) Pty Ltd and Director of Renaissance Minerals Ltd. He is also currently the Chairman for Empired Ltd and Gryphon Minerals Limited.	
Interest in Securities	Fully Paid Ordinary Shares	1,500,000
	50 cent Options expiring 31 August 2011	750,000
	30 cent Options expiring 20 February 2012	750,000
Other Directorships	Gryphon Minerals Limited (since 18 May 2004) Empire Beer Group Limited (From 21 June 2006 to 18 March 2009) Empired Ltd (since 21 December 2005) Renaissance Minerals Limited (since 25 March 2010)	
Hamish Halliday	Managing Director	
Qualifications	BSc (Geology), MAusIMM	
Experience	Mr Halliday has over 15 years of both corporate & technical experience within the mining industry. Mr Halliday co-founded Venture Minerals and was instrumental in the acquisition of its tenement portfolio including the Mt Lindsay Project.  Prior to Venture Minerals, Mr Halliday founded Adamus Resources Limited, a company he ran as CEO for 6 years growing the company from a A\$3 million float to a multi-million ounce emerging gold producer. Mr Halliday also co-founded Gryphon Minerals a very successful junior explorer defining a significant gold resource in West Africa. Mr Halliday is also a Director of Avonlea Minerals Ltd.	
Interest in Securities	Fully Paid Ordinary Shares	6,125,000
	50 cent Options expiring 31 August 2011	2,000,000
	30 cent Options expiring 20 February 2012	3,400,000
Other Directorships	Avonlea Minerals Limited (since 22 May 2009) Adamus Resources Limited (from 20 September 2001 to 9 March 2007)	
Andrew Radonjic	Technical Director	
Qualifications	BAppSc (Mining Geology), MSc (Mineral Economics), MAusIMM	
Experience	Mr Radonjic is a geologist with over 25 years of experience in mining and exploration, with a specific focus on gold and nickel in the Eastern Goldfields of Western Australia. Mr Radonjic began his career at the Agnew Nickel Mine before spending over 15 years in the Paddington, Mount Pleasant and Lady Bountiful Extended operations north of Kalgoorlie. He has fulfilled a variety of senior roles which gave rise to three gold discoveries, totalling in excess of 3 million ounces in resources and the development of over 1 million ounces.	
Interest in Securities	Fully Paid Ordinary Shares	2,666,665
	50 cent Options expiring 31 August 2011	2,000,000
	30 cent Options expiring 20 February 2012	1,500,000
Other Directorships	Nickleore Limited (from 11 August 2004 to 16 October 2009)	

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

Bruce McFadzean	Independent Non-Executive Director	
Qualifications	Dip. Mining	
Experience	Mr McFadzean has 30 years of senior management, mining and processing experience which included significant stints at BHP Billiton and Rio Tinto, the "start up" of 5 new mining operations, and covers a broad range of commodities including Iron Ore, Diamonds, Gold and Nickel. Mr McFadzean most recently held the role as General Manager Operations and then Operations Director with Territory Resources where he was instrumental in the start up of the 1.5 Mtpa Francis Creek Iron Ore operations in the Northern Territory. He is currently the Managing Director of Catalpa Resources Limited.	
Interest in Securities	50 cent Options expiring 31 August 2011	700,000
	30 cent Options expiring 20 February 2012	750,000
Other Directorships	Territory Resources Limited (from 17 March 2007 to 17 April 2008) Catalpa Resources Limited (since 9 June 2008)	
John Jetter	Independent Non-Executive Director (appointed 8 June 2010)	
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. He also held a number of other board positions including Chairman of the Board of Rodenstock AG, Germany, Deputy Chairman of the Board of European Business School and Chairman of the Finance Facility Oestrich-Winkel, Germany.	
Interest in Securities	Fully Paid Ordinary Shares	1,799,000
Other Directorships	Otto Energy Limited (since 12 December 2007)	

**Company Secretary**

The following person held the position of company secretary at the end of the financial year:

Brett Dunnachie - Bcom CA. Mr Dunnachie is a Chartered Accountant and holds a Bachelor of Commerce degree. Mr Dunnachie acts as the Chief Financial Officer of the Company and was appointed Company Secretary on 19 February 2007. Prior to joining Venture Minerals he was an audit manager at a major chartered accounting practice. He is also acting Chief Financial Officer and the Company Secretary for Gryphon Minerals Limited, Avonlea Minerals Limited and Renaissance Minerals Limited.

## 12. Audited Remuneration Report

The information provided in this remuneration report has been audited as required by section 308(C) of the *Corporations Act 2001*.

### (a) Principles used to determine the nature and amount of remuneration

The remuneration policy of Venture Minerals Limited has been designed to align director objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. The board of Venture Minerals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the company, as well as create goal congruence between directors and shareholders.

#### (i) Executive Directors & Other Executives

The remuneration policy, setting the terms and conditions for the executive directors and other senior staff members, was developed by the managing director and approved by the board after seeking professional advice from independent external consultants. In determining competitive remuneration rates, the Board seeks independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent advice is obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9% and do not receive any other retirement benefits.

The Company is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions, within the same industry. Certain Board members however acquired and were issued shares as part of the terms of the Initial Public Offer. Those Board members have retained these securities which assist in aligning their objectives with overall shareholder value.

Options have been issued to Board members to provide a mechanism to participate in the future development of the Company and an incentive for their future involvement with and commitment to the Company. Options and performance incentives may also be issued in the event that the entity moves from an exploration entity to a producing entity, and key performance indicators such as profits and growth can then be used as measurements for assessing Board performance.

All remuneration paid to directors is valued at the cost to the Company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

#### (ii) Non-Executive Directors

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The managing director in consultation with independent advisors determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company.

### (b) Company Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. This has been achieved by the issue of shares to the majority of the directors and executives to encourage the alignment of personal and shareholder interest.

**12. Audited Remuneration Report (continued)**

Key Management Personnel and Other Executive Remuneration details of Venture Minerals Limited and group:

	SHORT-TERM BENEFITS			POST EMPLOYMENT	SECURITIES ISSUED	TOTAL
	Cash Salary & Fees	Other	Non-Monetary	Superannuation	Options <sup>A</sup>	\$
<b>Non-Executive Directors</b>						
<b>Mel Ashton - Independent Non Executive Chairman</b>						
2010	73,750	-	1,892	-	43,772	119,414
2009	43,750	-	1,836	-	20,634	66,220
<b>John Jetter<sup>B</sup> - Non-Executive Director</b>						
2010	-	-	-	-	-	-
2009	-	-	-	-	-	-
<b>Bruce McFadzean - Independent Non-Executive Director</b>						
2010	45,539	-	1,892	4,099	43,772	95,302
2009	30,054	-	1,746	2,705	19,259	53,764
<b>Kent Hunter<sup>C</sup> - Independent Non-Executive Director</b>						
2010	-	-	-	-	-	-
2009	1,644	-	90	148	-	1,882
<b>Executive Directors</b>						
<b>Hamish Halliday<sup>D</sup> - Managing Director</b>						
2010	393,536 <sup>E</sup>	-	1,892	35,418	198,434	629,280
2009	179,052	-	1,836	16,115	55,025	252,028
<b>Andrew Radonjic - Technical Director</b>						
2010	237,005 <sup>F</sup>	6,971	1,892	32,591	87,544	366,003
2009	180,706	7,164	1,836	16,264	55,025	260,995
<b>Other Key Management Personnel</b>						
<b>Stuart Owen</b>						
2010	227,425 <sup>G</sup>	-	-	23,158	58,363	308,946
2009	150,937	-	-	13,584	82,140	246,661
<b>Total Key Management Personnel Compensation</b>						
2010	977,255	6,971	7,568	95,266	431,885	1,518,945
2009	586,143	7,164	7,344	48,816	232,083	881,550

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

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

B: John Jetter was appointed Non-Executive Director on 8 June 2010

C: Kent Hunter resigned from being a Non-Executive Director on 18 July 2008

D: Hamish Halliday was appointed Managing Director on 1 April 2009

E: The 2010 cash salary and fees amount includes back-pay and bonus payments totalling \$56,954 that relate to the 2009 financial year. The payment of this amount was determined and approved by the Board in the 2010 financial year and as such these amounts are included as cash salary and fees within the 2010 financial year.

F: The 2010 cash salary and fees amount includes back-pay and bonus payments totalling \$62,740 that relate to the 2009 financial year. The payment of this amount was determined and approved by the Board in the 2010 financial year and as such these amounts are included as cash salary and fees within the 2010 financial year.

G: The 2010 cash salary and fees amount includes back-pay payments totalling \$27,425 that relate to the 2009 financial year. The payment of this amount was determined and approved by the Board in the 2010 financial year and as such these amounts are included as cash salary and fees within the 2010 financial year.

**12. Audited Remuneration Report (continued)****(c) Options issued as part of remuneration for the year ended 30 June 2010**

Options are issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to the majority of directors and executives of Venture Minerals Limited and its subsidiaries to increase goal congruence between executives, directors and shareholders.

	Granted No.	Options Granted as Part of Remuneration \$	Total Remuneration Represented by Options	Exercised No.	Other changes No.	Lapsed No.
<b>30 June 2010</b>						
Non-Executive Directors						
Mel Ashton	750,000	43,772	37%	-	-	(1,000,000)
Bruce McFadzean <sup>A</sup>	750,000	43,772	46%	-	-	-
John Jetter <sup>B</sup>	-	-	0%	-	-	-
Executive Directors						
Hamish Halliday <sup>C</sup>	3,500,000	198,434	32%	-	(100,000)	(1,250,000)
Andrew Radonjic	1,500,000	87,544	24%	-	-	(500,000)
Other Key Management Personnel						
Stuart Owen	1,000,000	58,363	19%	-	-	(500,000)
<b>30 June 2009</b>						
Non-Executive Directors						
Mel Ashton	750,000	20,634	31%	-	-	-
Bruce McFadzean <sup>A</sup>	700,000	19,259	36%	-	-	-
Kent Hunter <sup>D</sup>	-	-	-	-	-	-
Executive Directors						
Hamish Halliday	2,000,000	55,025	22%	-	-	(1,000,000)
Andrew Radonjic	2,000,000	55,025	21%	-	-	(2,000,000)
Other Key Management Personnel						
Stuart Owen	1,000,000	82,140	33%	-	-	-

A: Bruce McFadzean was appointed Non-Executive Director on 18 July 2008

B: John Jetter was appointed Non-Executive Director on 8 June 2010

C: Hamish Halliday was appointed Managing Director on 1 April 2009

D: Kent Hunter resigned from being a Non-Executive Director on 18 July 2008

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

Director	Expiry Date	Exercise Price	Number of Options
<b>30 June 2010</b>			
Mel Ashton	20 Feb 12	30.0 cents	750,000
Hamish Halliday	20 Feb 12	30.0 cents	3,500,000
Andrew Radonjic	20 Feb 12	30.0 cents	1,500,000
Bruce McFadzean	20 Feb 12	30.0 cents	750,000
<b>30 June 2009</b>			
Mel Ashton	31 Aug 11	50.0 cents	750,000
Hamish Halliday	31 Aug 11	50.0 cents	2,000,000
Andrew Radonjic	31 Aug 11	50.0 cents	2,000,000
Bruce McFadzean	31 Aug 11	50.0 cents	700,000

## 12. Audited Remuneration Report (continued)

The following factors and assumptions were used in determining the fair value of options issued to Directors on grant date:

Grant Date	Expiry Date	Exercise Price	Fair Value Per Option	Price of Shares on Grant Date	Estimated Volatility	Risk Free Interest Rate	Dividend Yield
30 June 2010							
20 Aug 09	20 Feb 12	30.0 cents	\$0.058	\$0.20	77%	4.80%	0.00%
30 June 2009							
14 Oct 08	31 Aug 11	50.0 cents	\$0.028	\$0.15	77%	4.74%	0.00%

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.

### (d) Employment Contracts of Directors and Senior Executives

The employment conditions of the Executive Directors and key management personnel of Venture Minerals are formalised in contracts of employment. Details of those contracts are set out below:

#### Hamish Halliday: Managing Director

Mr Halliday is employed for an unspecified period with a base salary excluding superannuation of \$325,000 per annum.

#### Andrew Radonjic: Technical Director

Mr Radonjic was employed for an initial term of 3 years commencing on 20 September 2006. This was extended for a further 3 year term commencing on 20 September 2009. The agreement may be terminated by the company by providing Mr Radonjic with 1 to 3 months notice and making a payment of 9 months salary after the expiry of the 3 month written notice period. Mr Radonjic's base salary excluding superannuation is \$265,000 per annum.

#### Dr Stuart Owen: Exploration Manager

Dr Owen is employed under an executive services agreement with an unspecified term. The agreement may be terminated by either party by providing one months notice. Dr Owen's base salary excluding superannuation is \$160,000 per annum.

## 13. 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
05 Sep 08	31 Aug 11	50.0 cents	4,130,000
14 Oct 08	31 Aug 11	50.0 cents	5,450,000
20 Aug 09	20 Feb 12	30.0 cents	11,525,000

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

## 14. Insurance of Officers

During the financial year, Venture Minerals Limited paid a premium of \$9,460 (2009: \$7,344) to insure the directors and secretary of the company and its controlled entities.

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

**15. Meetings of Directors**

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

Director	Directors Meetings	
	Number Eligible to Attend	Meetings Attended
M Ashton	9	9
H Halliday	9	8
A Radonjic	9	9
B McFadzean	9	9
J Jetter	0	0

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.

**16. Environmental Regulation**

The group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all applicable regulations when carrying out any exploration work.

**17. 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.

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

The lead auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on page 16 of the directors' report. No fees were paid or payable to the auditors for non-assurance services performed during the year ended 30 June 2010 (2009: nil).

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



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

Perth, Western Australia, 23 September 2010

The information in this report from data collection, interpretation wireframes and geostatistical modelling calculations which relates to the Main Zone and No.2 Zone Inferred Mineral Resources, is based on information compiled under the supervision of Mr. Andrew Radonjic who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Radonjic is a full time employee of the company and has sufficient experience to the style of mineralisation and type of deposit to qualify as a competent person defined by the 2004 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Radonjic consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

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

# Stantons International

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23 September 2010

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

Dear Directors

**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 the Audit Director for the audit of the financial statements of Venture Minerals Limited for the year ended 30 June 2010, 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**  
(Authorised Audit Company)



**John Van Dieren**  
Director

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

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

Venture Minerals Limited  
Freemasons Building  
181 Roberts Road  
Subiaco WA 6008

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities on pages 5 to 8 in the directors' report, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 23 September 2010. 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 2010

	Note	Consolidated	
		2010 \$	2009 \$
Revenue from continuing operations	3	305,974	106,971
Administrative costs	4	(569,386)	(367,035)
Consultancy expenses		(268,486)	(237,775)
Employee benefits expense		(879,646)	(518,290)
Share based payment expenses		(684,323)	(710,831)
Occupancy expenses		(140,089)	(139,324)
Compliance and regulatory expenses		(69,297)	(37,194)
Insurance expenses		(30,358)	(34,718)
Depreciation expense	4	(19,846)	(20,736)
Exploration written off	11	(274,849)	(1,669,705)
<b>Loss before income tax</b>		<b>(2,630,306)</b>	<b>(3,628,637)</b>
Income tax (expense)/benefit	7	331,407	244,574
<b>Loss attributable to owners</b>		<b>(2,298,899)</b>	<b>(3,384,063)</b>
Other comprehensive income		-	-
<b>Total comprehensive income attributable to owners</b>		<b>(2,298,899)</b>	<b>(3,384,063)</b>
Basic loss per share (cents per share)	18	(1.6)	(3.9)
Diluted loss per share (cents per share)	18	N/A	N/A

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

## As at 30 June 2010

	Note	Consolidated	
		2010	2009
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	8	9,884,326	2,639,893
Trade and other receivables	9	557,026	340,701
<b>Total Current Assets</b>		<b>10,441,352</b>	<b>2,980,594</b>
<b>Non-Current Assets</b>			
Trade and other receivables	9	128,800	128,800
Property, plant and equipment	10	263,764	90,598
Exploration and evaluation expenditure	11	13,561,756	8,577,784
<b>Total Non-Current Assets</b>		<b>13,954,320</b>	<b>8,797,182</b>
<b>Total Assets</b>		<b>24,395,672</b>	<b>11,777,776</b>
<b>Current Liabilities</b>			
Trade and other payables	12	589,726	403,073
Provisions	13	109,986	44,620
<b>Total Current Liabilities</b>		<b>699,712</b>	<b>447,693</b>
<b>Total Liabilities</b>		<b>699,712</b>	<b>447,693</b>
<b>Net Assets</b>		<b>23,695,960</b>	<b>11,330,083</b>
<b>Equity</b>			
Contributed equity	14	30,045,526	15,676,209
Option reserve	16	2,374,882	2,079,423
Accumulated losses		(8,724,448)	(6,425,549)
<b>Total Equity</b>		<b>23,695,960</b>	<b>11,330,083</b>

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

Statement of Changes in Equity

**For the Year Ended 30 June 2010**

Consolidated	Contributed Equity \$	Accumulated Losses \$	Option Reserve \$	Total \$
Balance at 1 July 2008	12,809,621	(3,041,486)	1,368,592	11,136,727
Total comprehensive income for the year	-	(3,384,063)	-	(3,384,063)
Transactions with owners in their capacity as owners:				
Contributions of equity (net of transaction costs)	2,814,088	-	-	2,814,088
Equity settled share based payment transactions	52,500	-	710,831	763,331
	2,866,588	-	710,831	3,577,419
<b>Balance at 30 June 2009</b>	<b>15,676,209</b>	<b>(6,425,549)</b>	<b>2,079,423</b>	<b>11,330,083</b>
Balance at 1 July 2009	15,676,209	(6,425,549)	2,079,423	11,330,083
Total comprehensive income for the year	-	(2,298,899)	-	(2,298,899)
Transactions with owners in their capacity as owners:				
Contributions of equity (net of transaction costs)	13,980,449	-	-	13,980,449
Equity settled share based payment transactions	388,868	-	295,459	684,327
	14,369,317	-	295,459	14,664,776
<b>Balance at 30 June 2010</b>	<b>30,045,526</b>	<b>(8,724,448)</b>	<b>2,374,882</b>	<b>23,695,960</b>

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

## For the Year Ended 30 June 2010

	Note	Consolidated	
		2010	2009
		\$	\$
<b>Cash Flows from Operating Activities</b>			
Payments to suppliers and employees		(1,839,768)	(1,066,124)
Interest received		305,974	105,371
Other revenue		-	1,600
Payments for exploration and evaluation		(5,288,933)	(3,672,305)
Income tax received		244,574	-
<b>Net cash inflow/(outflow) from operating activities</b>	19	<b>(6,578,153)</b>	<b>(4,631,458)</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(157,863)	(26,825)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(157,863)</b>	<b>(26,825)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from issue of shares and other equity securities		14,524,000	3,215,794
Share issue transaction costs		(543,551)	(412,701)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>13,980,449</b>	<b>2,803,093</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>7,244,433</b>	<b>1,855,190</b>
Cash and cash equivalents at the start of the year		2,639,893	4,495,083
<b>Cash and cash equivalents at the end of the year</b>	8	<b>9,884,326</b>	<b>2,639,893</b>

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

## 1. Summary of Significant Accounting Policies

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

### (a) Basis of Preparation

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

#### (i) Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated financial statements and notes as presented comply with International Financial Reporting Standards (IFRS).

#### (ii) Financial Statement Preparation

The group has applied the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the group has changed the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

#### (iii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets.

### (b) Principles of Consolidation

#### (i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of the consolidated entity as at 30 June 2010 and the results of the parent and all subsidiaries for the year then ended.

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

The group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the group. Disposals to non-controlling interests result in gains and losses for the group that are recorded in the statement of comprehensive income. Purchases from non-controlling interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

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 Venture Entities

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

#### (iii) Jointly controlled assets

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

## 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.

The group has adopted AASB 8 *Operating Segments* from 1 July 2009. AASB 8 replaces AASB 114 *Segment Reporting*. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The segments, as presented, are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker.

### (d) Revenue recognition

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

#### (i) Interest income

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

### (e) 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.

### (f) 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 is 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.

### (g) 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 an impairment are reviewed for possible reversal of the impairment at each reporting date.

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

### (h) 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.

### (i) 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.

### (j) Exploration and evaluation expenditure

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

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

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

### (k) 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 comprehensive income during the financial period in which they are incurred.

Depreciation on assets is calculated using the reducing balance 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	20.0%
Motor vehicles	22.5%
Leasehold improvements	12.5%

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(g)). Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

### (l) 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.

### (m) 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)

### (n) Employee benefits

#### (i) Wages and salaries and annual leave

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 other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

#### (ii) Long service leave

The liability for long service leave 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.

#### (iii) Share-based payments

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

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').

### (o) 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.

### (p) Earnings per share

#### (i) Basic earnings per share

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

#### (ii) Diluted earnings per share

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

### (q) 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.

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

### (r) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting periods. The group's assessment of the impact of these new standards and interpretations is set out below.

#### (i) AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification and measurement of financial assets and is likely to affect the group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The group is yet to assess its full impact. The group has not yet decided when to adopt AASB 9.

#### (ii) AASB Interpretation 19 Extinguishing financial liabilities with equity instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 (effective from 1 July 2010)

AASB Interpretation 19 clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the debtor issuing its own equity instruments to the creditor (debt for equity swap). It requires a gain or loss to be recognised in profit or loss which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. The group will apply the interpretation from 1 July 2010. It is not expected to have any impact on the group or the parent entity's financial statements since it is only retrospectively applied from the beginning of the earliest period presented (1 July 2009) and the group has not entered into any debt for equity swaps since that date.

## 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.

### (a) Deferred exploration and evaluation expenditure

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

### (b) Share based payment transactions

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

		Consolidated	
		2010	2009
		\$	\$
<b>3.</b>	<b>Revenue</b>		
(a)	From continuing operations		
	Interest received	305,974	105,371
	Rental revenue	-	1,600
	Total revenue from continuing operations	305,974	106,971
<b>4.</b>	<b>Loss for the Year</b>		
(a)	Depreciation of non-current assets		
	Plant and equipment - office	10,036	6,832
	Plant and equipment - field	9,810	13,904
	Total depreciation of non-current assets	19,846	20,736
(b)	Finance costs		
	Interest and finance charges paid or payable	7,743	6,436
	Total finance charges paid or payable	7,743	6,436
<b>5.</b>	<b>Auditor's Remuneration</b>		
(a)	Remuneration of the auditor of the group		
	Auditing or reviewing the financial statements	22,500	21,029
	Total auditor remuneration	22,500	21,029
<b>6.</b>	<b>Key Management Personnel Compensation</b>		
(a)	Summary Key Management Personnel Compensation		
	Short-term employee benefits	991,794	600,651
	Post-employment benefits	95,266	48,816
	Long-term benefits	-	-
	Share-based payments	431,885	232,083
	Total key management personnel compensation	1,518,945	881,550
	Detailed remuneration disclosures are provided within the audited remuneration report which can be found on pages 11 to 14 of the directors' report.		
(b)	Options provided as remuneration and shares issued on exercise of such options		
	Details of options provided as remuneration and shares issued on the exercise of such options, together with the terms and conditions of the options, are provided within the audited remuneration report which can be found on pages 11 to 14 of the directors' report.		
(c)	Loans to key management personnel		
	No loans were made to any director or other key management personnel of the group, including their personally related parties during the financial year.		
(d)	Other transactions with key management personnel		
	Information relating to other transactions with any director or other key management personnel can be found at note 23.		

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

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

2010	Balance at start of the year	Granted as remuneration	Exercised	Other changes	Balance at end of the year	Vested and exercisable
Directors of Venture Minerals Limited						
Mel Ashton	1,750,000	750,000	-	(1,000,000)	1,500,000	1,500,000
Hamish Halliday <sup>A</sup>	3,250,000	3,500,000	-	(1,350,000)	5,400,000	5,400,000
Andrew Radonjic	2,500,000	1,500,000	-	(500,000)	3,500,000	3,500,000
Bruce McFadzean <sup>B</sup>	700,000	750,000	-	-	1,450,000	1,450,000
John Jetter <sup>C</sup>	-	-	-	-	-	-
Other key management personnel						
Stuart Owen	1,500,000	1,000,000	-	(500,000)	2,000,000	2,000,000

2009	Balance at start of the year	Granted as remuneration	Exercised	Other changes	Balance at end of the year	Vested and exercisable
Directors of Venture Minerals Limited						
Mel Ashton	1,000,000	750,000	-	-	1,750,000	1,750,000
Hamish Halliday <sup>A</sup>	2,250,000	2,000,000	-	(1,000,000)	3,250,000	3,250,000
Andrew Radonjic	2,500,000	2,000,000	-	(2,000,000)	2,500,000	2,500,000
Bruce McFadzean <sup>B</sup>	-	700,000	-	-	700,000	700,000
Kent Hunter <sup>D</sup>	1,250,000	-	-	(1,250,000)	-	-
Other key management personnel						
Stuart Owen	500,000	1,000,000	-	-	1,500,000	1,500,000

A: Hamish Halliday was appointed Managing Director on 1 April 2009

B: Bruce McFadzean was appointed Non-Executive Director on 18 July 2008

C: John Jetter was appointed Non-Executive Director on 8 June 2010

D: Kent Hunter resigned from being a Non-Executive Director on 18 July 2008

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

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

<b>2010</b>	<b>Balance at the start of the year</b>	<b>Received on exercise of options</b>	<b>Other changes</b>	<b>Balance at the end of the year</b>
<b>Directors of Venture Minerals Limited</b>				
Mel Ashton	1,566,667	-		1,566,667
Hamish Halliday	6,125,000	-	-	6,125,000
Andrew Radonjic	2,666,665	-	-	2,665,665
Bruce McFadzean	-	-	-	-
John Jetter	-	-	1,799,000	1,799,000
<b>Other key management personnel</b>				
Stuart Owen	1,200,000	-	-	1,200,000

<b>2009</b>	<b>Balance at the start of the year</b>	<b>Received on exercise of options</b>	<b>Other changes</b>	<b>Balance at the end of the year</b>
<b>Directors of Venture Minerals Limited</b>				
Mel Ashton	1,566,667	-	-	1,566,667
Hamish Halliday	6,225,000	-	(100,000)	6,125,000
Andrew Radonjic	2,666,665	-	-	2,666,665
Bruce McFadzean	-	-	-	-
Kent Hunter	-	-	-	-
<b>Other key management personnel</b>				
Stuart Owen	1,200,000	-	-	1,200,000

		Consolidated	
		2010	2009
		\$	\$
<b>7.</b>	<b>Income Tax Expense</b>		
(a)	Income tax expense		
	Current tax	331,407	244,574
	Deferred tax	-	-
	Total income tax (expense)/benefit	<u>331,407</u>	<u>244,574</u>
	Deferred income tax expense included in income tax expense comprises:		
	(Increase) in deferred tax assets (note 7(c))	(1,495,891)	(469,257)
	Increase in deferred tax liabilities (note 7(d))	<u>1,495,891</u>	<u>469,257</u>
		-	-
(b)	Numerical reconciliation of income tax expense to prima facie tax payable		
	Profit from continuing operations before income tax expense	(2,630,306)	(3,628,637)
	Tax (tax benefit) at the tax rate of 30% (2009: 30%)	789,092	1,088,591
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	Share based payments	(205,297)	(213,249)
	Other non-deductible amounts	<u>(9,377)</u>	<u>(5,407)</u>
		574,418	869,935
	Unrecognised tax losses	(309,292)	(674,276)
	Income tax benefit <sup>A</sup>	<u>331,407</u>	<u>244,574</u>
(c)	Deferred tax assets		
	Tax losses <sup>B</sup>	4,024,330	2,551,012
	Employee benefits	41,863	19,740
	Other accruals	4,500	4,050
	Total deferred tax assets	<u>4,070,693</u>	<u>2,574,802</u>
	Set-off deferred tax liabilities (note 7(d))	<u>(4,070,693)</u>	<u>(2,574,802)</u>
	Net deferred tax assets	-	-
(d)	Deferred tax liabilities		
	Exploration expenditure	4,068,527	2,573,335
	Other	2,166	1,467
	Total deferred tax liabilities	<u>4,070,693</u>	<u>2,574,802</u>
	Set-off deferred tax assets (note 7(c))	<u>(4,070,693)</u>	<u>(2,574,802)</u>
	Net deferred tax liabilities	-	-
(e)	Tax losses		
	Unused tax losses for which no DTA has been recognized	6,636,951	4,560,876
	Potential tax benefit at 30%	1,991,085	1,368,263
(f)	Unrecognised temporary differences		
	Unrecognised deferred tax asset relating to capital raising costs	<u>284,205</u>	<u>195,015</u>

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

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

		Consolidated	
		2010	2009
		\$	\$
<b>8.</b>	<b>Cash &amp; Cash Equivalents</b>		
(a)	Cash & cash equivalents		
	Cash at bank and in hand	2,884,326	2,639,893
	Deposits at call	7,000,000	-
	Total cash and cash equivalents	9,884,326	2,639,893
(b)	Cash at bank and on hand		
	Cash on hand is non-interest bearing. Cash at bank bears interest rates between 0.00% and 4.50% (2009: 0.00% and 3.00%).		
(c)	Deposits at call		
	Deposits at call are bearing an interest rate of 5.33% (2009: N/A).		
<b>9.</b>	<b>Trade &amp; Other Receivables</b>		
(a)	Current		
	Other receivables	508,134	307,458
	Prepayments	48,892	33,243
	Total current trade and other receivables	557,026	340,701
(b)	Non-Current		
	Deposits	128,800	128,800
	Total non-current trade and other receivables	128,800	128,800
(c)	Past due and impaired receivables		
	As at 30 June 2010, there were no other receivables that were past due or impaired (2009: nil).		
(d)	Effective interest rates and credit risk		
	Information concerning effective interest rates and credit risk of both current and non-current trade and other receivables is set out in note 17.		

Consolidated		Plant & Equipment Office	Furniture & Equipment Office	Plant & Equipment Field	Leasehold Improvements	Motor Vehicle	Total
		\$	\$	\$	\$	\$	\$
<b>10.</b>	<b>Property, Plant &amp; Equipment</b>						
(a)	Year ended 30 June 2009						
	Opening net book amount	11,830	364	16,789	-	71,646	100,629
	Additions	8,670	-	18,155	-	-	26,825
	Disposals/write-offs	-	-	-	-	-	-
	Depreciation charge	(6,759)	(73)	(13,904)	-	(16,120)	(36,856)
	Closing net book amount	13,741	291	21,040	-	55,526	90,598
	At 30 June 2009						
	Cost or fair value	27,350	420	46,301	-	80,897	154,968
	Accumulated depreciation	(13,609)	(129)	(25,261)	-	(25,371)	(64,370)
	Net book amount	13,741	291	21,040	-	55,526	90,598
(b)	Year ended 30 June 2010						
	Opening net book amount	13,741	291	21,040	-	55,526	90,598
	Additions	33,390	39,970	-	132,146	-	205,506
	Disposals/write-offs	-	-	-	-	-	-
	Depreciation charge	(9,085)	(951)	(8,416)	(1,394)	(12,494)	(32,340)
	Closing net book amount	38,046	39,310	12,624	130,752	43,032	263,764
	At 30 June 2010						
	Cost or fair value	60,740	40,390	46,301	132,146	80,897	360,474
	Accumulated depreciation	(22,694)	(1,080)	(33,677)	(1,394)	(37,865)	(96,710)
	Net book amount	38,046	39,310	12,624	130,752	43,032	263,764

		Consolidated	
		2010	2009
		\$	\$
<b>11.</b>	<b>Exploration &amp; Evaluation Expenditure</b>		
(a)	Non-current		
	Opening balance	8,577,784	7,004,958
	Exploration and acquisition costs	5,258,821	3,242,531
	Write offs/provisions	(274,849)	(1,669,705)
	Total non-current exploration and evaluation expenditure	13,561,756	8,577,784
(b)	Recoverability of capitalised costs		
	The value of the group's interest in exploration expenditure is dependent upon:		
	<ul style="list-style-type: none"> <li>▪ the continuance of the group's rights to tenure of the areas of interest;</li> <li>▪ the results of future exploration; and</li> <li>▪ the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.</li> </ul>		
	The group's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.		

	Consolidated		Consolidated	
	2010	2009	2010	2009
	Shares	Shares	\$	\$
<b>12. Trade &amp; Other Payables</b>				
(a) Current				
Trade Payables			520,141	336,206
Other Payables			69,585	66,867
Total current trade & other			<u>589,726</u>	<u>403,073</u>
<b>13. Provisions</b>				
(a) Current				
Employee entitlements			109,986	44,620
Total current provisions			<u>109,986</u>	<u>44,620</u>
<b>14. Contributed Equity</b>				
(a) Issued capital				
Ordinary shares - fully paid	168,046,667	103,841,667	30,045,526	15,676,209
Total issued capital	<u>168,046,667</u>	<u>103,841,667</u>	<u>30,045,526</u>	<u>15,676,209</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 15.				

	Date	Number of Shares	Issue Price	Total
<b>14. Contributed Equity (continued)</b>				
(d) Movements in issued capital				
Opening Balance 1 July 2008		68,718,112		10,718,831
Exercise of options	07 Jul 08	7,781,888	0.26	2,023,290
Exercise of options	07 Jul 08	150,000	0.45	67,500
Share issue	21 Nov 08	7,500,000	0.10	750,000
Share issue	10 Dec 08	2,500,000	0.10	250,000
Exercise of options	27 Jan 09	100,000	0.10	10,000
Share issue	21 Apr 09	16,666,667	0.12	2,000,000
Exercise of options	19 May 09	425,000	0.10	42,500
Less: Transaction costs				(185,912)
Closing Balance at 30 June 2009		103,841,667		15,676,209
Opening Balance 1 July 2009		103,841,667		15,676,209
Share issue	16 Aug 09	15,000,000	0.20	3,000,000
Share issue	28 Aug 09	18,579,970	0.20	3,715,994
Share issue	01 Sep 09	6,420,030	0.20	1,284,006
Exercise of options	25 Sep 09	100,000	0.10	10,000
Exercise of options	09 Nov 09	150,000	0.10	15,000
Exercise of options	01 Dec 09	294,661	0.25	73,665
Exercise of options	10 Dec 09	725,000	0.10	72,500
Exercise of options	23 Dec 09	555,000	0.10	55,500
Exercise of options	06 Jan 10	2,625,000	0.10	262,500
Exercise of options	22 Jan 10	955,339	0.25	238,834
Exercise of options	22 Jan 10	50,000	0.37	18,500
Exercise of options	03 Mar 10	100,000	0.25	25,000
Exercise of options	03 Mar 10	1,250,000	0.25	312,500
Share issue	24 Mar 10	17,000,000	0.32	5,440,000
Share issue	14 May 10	400,000	0.34	136,000
Option premium				388,868
Less: Transaction costs				(679,550)
Closing Balance at 30 June 2010		168,046,667		30,045,526

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>15. Share Options</b>						
<b>(a) 2010 unlisted share option details</b>						
30 Nov 09	48.0 cents	3,470,000	-	-	(3,470,000)	-
30 Nov 09	58.0 cents	3,170,000	-	-	(3,170,000)	-
28 Feb 10	25.0 cents	4,100,000	-	(2,600,000)	(1,500,000)	-
31 Dec 09	10.0 cents	4,475,000	-	(4,155,000)	(320,000)	-
11 Jul 10	37.0 cents	50,000	-	(50,000)	-	-
31 Aug 11	50.0 cents	9,730,000	-	-	(150,000)	9,580,000
20 Feb 12	30.0 cents	-	11,725,000	-	(200,000)	11,525,000
		<u>24,995,000</u>	<u>11,725,000</u>	<u>(6,805,000)</u>	<u>(8,810,000)</u>	<u>21,105,000</u>
<b>(b) 2009 unlisted share option details</b>						
30 Nov 08	25.0 cents	100,000	-	-	(100,000)	-
19 Feb 09	35.0 cents	650,000	-	-	(650,000)	-
30 Jun 09	25.0 cents	6,000,000	-	-	(6,000,000)	-
30 Jun 09	50.0 cents	1,000,000	-	-	(1,000,000)	-
30 Nov 09	48.0 cents	3,470,000	-	-	-	3,470,000
30 Nov 09	58.0 cents	3,420,000	-	-	(250,000)	3,170,000
28 Feb 10	25.0 cents	4,100,000	-	-	-	4,100,000
31 Dec 09	10.0 cents	-	5,000,000	(525,000)	-	4,475,000
11 Jul 10	37.0 cents	-	50,000	-	-	50,000
31 Aug 11	50.0 cents	-	9,730,000	-	-	9,730,000
		<u>18,740,000</u>	<u>14,780,000</u>	<u>(525,000)</u>	<u>(8,000,000)</u>	<u>24,995,000</u>

	Consolidated	
	2010	2009
	\$	\$
<b>16. Reserves</b>		
<b>(a) Unlisted option reserve</b>		
Opening balance	2,079,423	1,368,592
Exercise of options	(388,868)	-
Unlisted options issued as remuneration during the year	684,327	710,831
Total unlisted option reserve	<u>2,374,882</u>	<u>2,079,423</u>
The unlisted option reserve records items recognised on valuation of director, employee and contractor share options. Information relating to the Venture Minerals Limited Employee Incentive Scheme "IOS", including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 24.		
<b>(b) Listed option reserve</b>		
Option issue	-	-
Options issued as consideration	-	-
Exercise of options	-	-
Less: Transaction costs arising on option issue	-	-
Total listed option reserve	<u>-</u>	<u>-</u>
The listed option reserve records the issue price of listed options and the value of option issued as consideration for contractor services.		
<b>(c) Total reserves</b>		
Unlisted option reserve	2,374,882	2,079,423
Listed option reserve	-	-
Total reserves	<u>2,374,882</u>	<u>2,079,423</u>

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

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

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

**(a) Interest Rate Risk**

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

Consolidated	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest	Non-interest bearing	2010 total
	%	\$	\$	\$	\$
<b>2010</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	5.07	2,875,054	7,000,000	9,272	9,884,326
Trade & other receivables - current	0.00	-	-	508,134	508,134
Trade & other receivables - non-current	4.13	-	128,800	-	128,800
		<u>2,875,054</u>	<u>7,128,800</u>	<u>517,406</u>	<u>10,521,260</u>
<b>Financial Liabilities</b>					
Trade and other payables - current	0.00	-	-	589,726	589,726
		<u>-</u>	<u>-</u>	<u>589,726</u>	<u>589,726</u>
<b>2009</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	2.92%	2,574,039	-	65,854	2,639,893
Trade & other receivables - current	0.00%	-	-	307,459	307,459
Trade & other receivables - non-current	3.39%	-	121,000	7,800	128,800
		<u>2,574,039</u>	<u>121,000</u>	<u>381,113</u>	<u>3,076,152</u>
<b>Financial Liabilities</b>					
Trade and other payables - current	0.00%	-	-	403,073	403,073
		<u>-</u>	<u>-</u>	<u>403,073</u>	<u>403,073</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 3 years from balance date.

**Group sensitivity analysis**

The entity's main interest rate risk arises from cash and cash equivalents with variable and fixed interest rates. At 30 June 2010 and 30 June 2009, the group's exposure to interest rate risk is not considered material.

**(b) Credit risk**

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

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

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

## (c) Liquidity risk

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

## (d) Net fair value

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

Consolidated	2010		2009	
	Carrying Amount \$	Net fair Value \$	Carrying Amount \$	Net fair Value \$
<b>Financial assets</b>				
Cash and cash equivalents	9,884,326	9,884,326	2,639,893	2,639,893
Trade & other receivables - current	508,134	508,134	307,459	307,459
Trade & other receivables - non-current	128,800	128,800	128,800	128,800
	<u>10,521,260</u>	<u>10,521,260</u>	<u>3,076,152</u>	<u>3,076,152</u>
<b>Financial Liabilities</b>				
Trade and other payables - current	589,726	589,726	403,073	403,073
	<u>589,726</u>	<u>589,726</u>	<u>403,073</u>	<u>403,073</u>

	Consolidated	
	2010 \$	2009 \$
<b>18. Earnings per Share</b>		
(a) Earnings/(Loss)		
Earnings/(loss) used in the calculation of basic EPS	(2,298,899)	(3,384,063)
(b) Weighted average number of ordinary shares ('WANOS')		
WANOS used in the calculation of basic earnings per share:	146,861,674	85,732,505
<b>19. Cash Flow Information</b>		
(a) Reconciliation of cash flows from operating activities with loss from ordinary activities after income tax:		
Profit/(loss) from ordinary activities after income tax	(2,298,899)	(3,384,063)
Depreciation	19,846	20,736
Share based payments	684,323	710,831
Changes in assets and liabilities:		
- (Increase) in operating receivables & prepayments	(216,325)	(97,022)
- (Increase) in capitalised exploration	(4,975,654)	(1,556,706)
- (Decrease)/Increase in trade and other payables	208,556	(325,234)
Net cash (outflows) from Operating Activities	<u>(6,578,153)</u>	<u>(4,631,458)</u>

	Consolidated	
	2010	2009
	\$	\$
<b>20. Commitments</b>		
(a) Exploration commitments		
Not longer than one year	663,804	782,978
Longer than one year, but not longer than five years	700,872	1,375,408
Longer than five years	-	-
	<u>1,364,676</u>	<u>2,158,386</u>
<p>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.</p>		

**21. Events Occurring After Balance Date**

There have been no events subsequent to balance date of a nature that would require disclosure.

**22. Segment Information**

## (a) Description of segments

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

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

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

	Australia	Exploration	Total
	\$	Corporate	\$
	\$	\$	\$
<b>2010</b>			
Total segment revenue	-	305,974	305,974
Interest revenue	-	305,974	305,974
Depreciation and amortisation expense	8,416	11,430	19,846
Total segment profit/(loss) before income tax	(283,265)	(2,347,041)	(2,630,306)
Total segment assets	13,574,380	10,821,292	24,395,672
Total segment liabilities	-	699,712	699,712
<b>2009</b>			
Total segment revenue	-	106,971	106,971
Interest revenue	-	105,371	105,371
Depreciation and amortisation expense	13,904	6,832	20,736
Total segment profit/(loss) before income tax	(1,683,609)	(1,945,028)	(3,628,637)
Total segment assets	8,654,350	3,123,426	11,777,776
Total segment liabilities	-	447,693	447,693

**22. 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 \$305,974 (2009: \$105,371) 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.

**23. Related Party Information**

- (a) **Parent entity**  
The ultimate parent entity within the group is Venture Minerals Limited.
- (b) **Subsidiaries**  
Interests in subsidiaries are set out in note 26.
- (c) **Key management personnel**  
Disclosures relating to key management personnel are set out in note 6.
- (d) **Transactions with Director Related Parties**  
The following transactions occurred with related parties:

	Consolidated	
	2010	2009
	\$	\$
<b>Recharges to director related entities (excluding GST):</b>		
Recharge of costs to Avonlea Minerals Limited	12,540	413
Recharge of costs to Gryphon Minerals Limited	8,931	1,600
Recharge of costs to Mentoring Services for Business Pty Ltd	273	-
Recharge of costs to Black Peak Pty Ltd	672	1,089
<b>Purchases from director related entities (excluding GST):</b>		
Payments for shared services/reimbursable costs to Gryphon Minerals Ltd	392,586	308,794
<b>Outstanding balances arising from recharges/purchases with Director Related Parties:</b>		
Current receivables	9,504	-
Current payables	54,118	64,625

- (e) **Terms and conditions of related party transactions**  
Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

**24. Share Based Payments**

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

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

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

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

The weighted average fair value of the options granted during the year was 5.8 cents (2009: 5.2 cents). The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

Weighted average exercise price (cents) 30.0 (2009: 49.9)  
 Weighted average life of the option (years) 2.50 (2009: 2.92)  
 Weighted average underlying share price (cents) 0.20 (2009: 20.4)  
 Expected share price volatility 77% (2009: 77%)  
 Risk free interest rate between 4.80% (2009: 4.74% and 6.70%)

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 period were as set out below. Details of other options movements and balances are set out in Note 15.

	Consolidated	
	2010	2009
	\$	\$
Unlisted options		
Options issued to directors, employees and consultants	684,323	710,831

**25. Contingent Liabilities**

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

**26. Subsidiaries**

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

Name of entity	Country of incorporation	Class of shares	Equity holding <sup>A</sup>	
			2010 %	2009 %
Venture Uranium Pty Ltd	Australia	Ordinary	100	100
Venture Z Pty Ltd	Australia	Ordinary	100	100
Venture Iron Pty Ltd	Australia	Ordinary	100	100

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

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

### (a) Bass Metals JV

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

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

### (b) Black Peak Holdings

On 28 April 2006, Debnal Pty Ltd ('Debnal') entered into a memorandum of understanding (Memorandum) with Black Peak Holdings Pty Ltd ('Black Peak') or nominee (Venture Minerals Limited). The Memorandum was for the purposes of entering into an earn-in Joint Venture for the South Australian Projects (EL3511, EL3529 and EL3580) on the following terms and conditions:

- (a) Venture may earn a 51% interest in the South Australian Projects by spending \$750,000 on exploration within the first 2 years of the Joint Venture. Venture must meet the first year expenditure requirements of the South Australian Projects of approximately \$180,000;
- (b) Venture may earn a further 24% interest (total 75% interest) in the South Australian Project by spending an additional \$1,250,000 on exploration within 2 years after the period referred in (a);
- (c) Venture may earn a further 15% (total 90% interest) in the South Australian Project by funding the completion of a bankable feasibility study on any of the South Australian Projects (Study); and
- (d) on completion of the Study, Debnal can elect to contribute to expenditure or dilute to 2% net smelter royalty.

Debnal will be entitled to an additional \$100,000 in regard to each of the South Australian Projects in the event that Venture intersects potentially economic mineralization of greater than 100 gram/metres gold or gold equivalent. Should a Bankable Feasibility Study on any of the South Australian Projects yield a positive financial outcome, Debnal will receive a final cash payment of \$250,000. Venture may at anytime withdraw from part or all of the South Australian Projects and will inform Mr Allan Kelly, 30 days prior to any withdrawal of mineral licences. On signing of a formal Joint Venture on the South Australian Projects, Black Peak (now Venture) will employ, or find employment through other sources for Mr Allan Kelly at standard industry rates, for approximately 30 days per calendar year all the while Black Peak has title or is in Joint Venture on the Churchill Dam Project. Further, on 31 July 2008 Venture Minerals entered into a farm-out Joint Venture agreement with a subsidiary of Mega Uranium Limited ('Mega'). The purpose was to farm-out 80% interest in the Uranium rights of the tenements (EL3580 and EL3529) on the following terms and conditions:

- (a) Mega to spend \$300,000 on exploration within 3 years to earn 51% of the uranium rights, of which \$100,000 must be spent on exploration before Mega is entitled to withdraw,
- (b) Mega to spend a further \$450,000 on exploration by 31 March 2013 to earn 75% of the uranium rights,
- (c) Mega to earn 80% of the uranium rights upon funding and completing a Bankable Feasibility Study, at which point Venture will be granted a 20% free carried interest in relation to the Uranium rights of which 10% will belong to Debnal Pty Ltd (the original owners) and,
- (d) Upon the Decision to Mine, Venture and Debnal can elect to either contribute their 10% share of the joint venture or each party can dilute to a 1% Net Smelter Royalty.

At 30 June 2010, Venture Minerals had met the obligations under (a) as set out above and held a 51% interest in the South Australian Projects.

		Company	
		2010	2009
		\$	\$
<b>28.</b>	<b>Parent Entity Information</b>		
(a)	Assets		
	Current assets	10,441,352	2,980,594
	Non-current assets	13,954,324	8,797,182
	Total assets	<u>24,395,676</u>	<u>11,777,776</u>
(b)	Liabilities		
	Current liabilities	699,716	447,693
	Non current liabilities	-	-
	Total liabilities	<u>699,716</u>	<u>447,693</u>
(c)	Equity		
	Contributed equity	30,045,526	15,676,209
	Accumulated losses	(8,724,448)	(6,425,549)
	Reserves	2,374,882	2,079,423
	Total equity	<u>23,695,960</u>	<u>11,330,083</u>
(d)	Total Comprehensive income/(loss) for the year		
	Profit/(loss) for the year after income tax	(2,298,899)	(3,384,063)
	Other comprehensive income for the year	-	-
	Total comprehensive income/(loss) for the year	<u>(2,298,899)</u>	<u>(3,384,063)</u>
<p>The parent entity has not guaranteed any loans for any entity during the year. The parent entity does not have any contingent liabilities, or capital commitments.</p>			

## Director's Declaration

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In the directors' opinion:

- (a) the financial statements and notes set out on pages 17 to 42 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 2010 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 11 to 14 of the directors' report comply with section 300A of the *Corporations Act 2001*.
- (d) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

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

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



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

Perth, Western Australia, 23 September 2010

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

### Report on the Financial Report

We have audited the accompanying financial report of Venture Minerals Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cashflows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

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

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

#### *Auditor's responsibility*

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

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

accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

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

#### *Independence*

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

#### *Auditor's opinion*

In our opinion:

- (a) the financial report of Venture Minerals Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(a).


#### **Report on the Remuneration Report**

We have audited the remuneration report included in pages 11 to 14 of the directors' report for the year ended 30 June 2010. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

#### *Auditor's opinion*

In our opinion the remuneration report of Venture Minerals Limited for the year ended 30 June 2010 complies with section 300A of the *Corporations Act 2001*.

**STANTONS INTERNATIONAL**  
**(An Authorised Audit Company)**

*Stantons International*  


**John Van Dieren**  
Director

West Perth, Western Australia  
23 September 2010

## Additional Shareholder Information

### Shareholding Distribution

The distribution of members and their holdings of equity securities in the holding company as at 15 September 2010 was as follows:

Number Held as at 15 September 2010	Class of Equity Securities Fully Paid Ordinary Shares
1 - 1,000	39
1,001 - 5,000	559
5,001 - 10,000	459
10,001 - 100,000	1,010
100,001 and over	191
	<b>2,258</b>

Holders of less than a marketable parcel: 37

### Substantial Shareholders

The names of the substantial shareholders listed on the company's register as at 15 September 2010:

Shareholder	Number
Citi Glory Corporation Limited	23,086,697
Molton Holdings Limited	15,500,000

### 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.

### Twenty Largest Shareholders

The names of the twenty largest ordinary fully paid shareholders as at 15 September 2010 are as follows:

Shareholder	Number	% Held of Issued Ordinary Capital
Citi Glory Corporation Limited	23,086,697	13.73%
HSBC Custody Nominees Australia Limited	16,146,673	9.60%
Black Peak Holdings Pty Ltd	7,050,000	4.19%
J & J Bandy Nominees Pty Ltd	4,900,858	2.91%
Mr Keith Jenkins & Mr Neville William Houghton	3,600,000	2.14%
Onedin Enterprises Pty Ltd	2,666,665	1.59%
Citicorp Nominees Pty Ltd	2,460,113	1.46%
Symorgh Investments Pty Ltd	2,400,000	1.43%
McTavish Industries Pty Ltd	2,000,000	1.19%
Seivad Investments Pty Ltd	1,800,000	1.07%
JP Morgan Nominees Australia Limited	1,799,000	1.07%
Berpaid Pty Ltd	1,475,000	0.88%
Kingsford Investments Pty Ltd	1,333,333	0.79%
Mr Henry James Adams	1,250,000	0.74%
Academic Growth Institute Fund Pty Ltd	1,200,000	0.71%
Mr William Robert Wallace	1,150,000	0.68%
Bond Street Custodians Limited	1,146,918	0.68%
Peter Weber	1,072,836	0.64%
Sofia Services Pty Ltd	1,003,333	0.60%
Max Capital Pty Ltd	1,000,000	0.59%
	<b>78,541,426</b>	<b>46.69%</b>

**Corporate Governance**

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

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

To illustrate where the Company has addressed each of the Council’s recommendations, the following table cross-references each recommendation with sections of this report. The table does not provide the full text of each recommendation but rather the topic covered. Details of all of the recommendations can be found on the ASX Corporate Governance Council’s website at [http://www.asx.com.au/about/corporate\\_governance/index.htm](http://www.asx.com.au/about/corporate_governance/index.htm)

Recommendation	Section
Recommendation 1.1 Functions of the Board and Management	1.1
Recommendation 1.2 Evaluation of Board, Directors and Key Executives	1.4.10
Recommendation 1.3 Reporting on Principle 1	1.1 and 1.4.10
Recommendation 2.1 Independent Directors	1.2 and 1.3
Recommendation 2.2 Independent Chairman	1.2 and 1.3
Recommendation 2.3 Role of the Chairman and CEO	1.2 and 1.3
Recommendation 2.4 Establishment of Nomination Committee	2.3
Recommendation 2.5 Evaluation of Board, Committees and Directors	1.4.10
Recommendation 2.6 Reporting on Principle 2	1.2, 1.4.6, 1.4.10, 2.3.1 and the Directors’ Report
Recommendation 3.1 Code of Conduct	1.1 and 3
Recommendation 3.2 Company Security Trading Policy	1.4.9
Recommendation 3.3 Reporting on Principle 3	1.1 and 1.4.9, 3
Recommendation 4.1 Establishment of Audit Committee	2.1
Recommendation 4.2 Structure of Audit Committee	2.1.1
Recommendation 4.3 Audit Committee Charter	2.1
Recommendation 4.4 Reporting on Principle 4	2.1
Recommendation 5.1 Policy for Compliance with Continuous Disclosure	1.4.4
Recommendation 5.2 Reporting on Principle 5	1.4.4
Recommendation 6.1 Communications Strategy	1.4.8
Recommendation 6.2 Reporting on Principle 6	1.4.8
Recommendation 7.1 Policies on Risk Oversight and Management	2.1.3
Recommendation 7.2 Managing and Implementing Risk Management	2.1.3
Recommendation 7.3 Attestations by CEO and CFO	2.1.3
Recommendation 7.4 Reporting on Principle 7	2.1.3
Recommendation 8.1 Establishment of Remuneration Committee	2.2
Recommendation 8.2 Executive and Non-Executive Director Remuneration	2.2.3.1 and 2.2.3.2
Recommendation 8.3 Reporting on Principle 8	1.2, 2.2.1 and 2.2.3.2

### 1.1 Role of the Board

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

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

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

### 1.2 Composition of the Board

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

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

An Independent Director is a Non-Executive Director and:

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

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

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

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

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

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

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

### 1.3 Responsibilities of the Board

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

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following.

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

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

### 1.4 Board Policies

#### 1.4.1 Conflicts of Interest

Directors must:

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

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

#### 1.4.2 Commitments

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

#### 1.4.3 Confidentiality

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

#### 1.4.4 Continuous Disclosure

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information:

- concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

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

#### 1.4.5 Education and Induction

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

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

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

#### 1.4.6 Independent Professional Advice

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

#### 1.4.7 Related Party Transactions

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

#### 1.4.8 Shareholder Communication

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

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

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

#### 1.4.9 Trading in Company Shares

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

#### 1.4.10 Performance Review/Evaluation

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

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

## 2. Board Committees

### 2.1 Audit Committee

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

### **2.1.1 Role**

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

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

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

### **2.1.2 Responsibilities**

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

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

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

### **2.1.3 Risk Management Policies**

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

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

The board believes that it has a thorough understanding of the Company's key risks and is managing them appropriately. The board is responsible for reviewing annually its risk management system. This includes reviewing operational, financial, compliance, systems and risk management procedures. The directors confirm they have completed their annual review for 2010. A copy of the company's risk management statement is available from the corporate governance section of the company's website.

On 23 September 2010 Mr Hamish Halliday (Managing Director) and Mr Brett Dunnachie (Company Secretary) provided the Board with a declaration in accordance with S295A of the Corporations Act that the financial statements are founded on a sound system of risk management and internal compliance. Their statement assured the Board that the risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

## **2.2 Remuneration Committee**

### **2.2.1 Role**

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

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

### **2.2.2 Responsibilities**

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

### 2.2.3 Remuneration Policy

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

#### 2.2.3.1 Senior Executive Remuneration Policy

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

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

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

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

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

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

#### 2.2.3.2 Non-Executive Director Remuneration Policy

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

#### 2.2.4 Current Director Remuneration

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

## 2.3 Nomination Committee

### 2.3.1 Role

The role of a Nomination Committee is to help achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills are present in Directors on the Board at all times.

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

### 2.3.2 Responsibilities

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

### 2.3.3 Criteria for selection of Directors

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

## 3. Company Code of Conduct

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

Schedule of Tenements

As at 16 September 2010

Project	Tenement	Interest	Status
Maitland Channel	EL37/772	100%	Granted
	EL36/588	100%	Granted
	EL53/1267	100%	Granted
	PL53/1301	100%	Granted
	EL36/612	100%	Granted
	PL36/1645	100%	Granted
	PL36/1646	100%	Granted
	PL36/1647	100%	Granted
	EL53/1359	100%	Granted
	EL53/1362	100%	Granted
	PL53/1489	100%	Granted
	EL36/670	100%	Granted
	EL53/1418	100%	Granted
	EL53/1419	100%	Granted
	EL36/718	100%	Granted
Paulsens South	E08/1457	100%	Renewal Pending
	E08/1748	100%	Granted
	E47/1765	100%	Granted
Kingoonya	EL3529	51%	Granted
Harris Bluff	EL3580	51%	Granted
Mount Lindsay	EL21/2005	100%	Granted
	EL33/2007	100%	Granted
	EL24/2008	100%	Granted
	EL31/2003	0%	Granted
	EL36/2003	0%	Granted

Notes

E: Exploration Licence

EL: Exploration Licence

PL: Prospecting Licence