

Venture Minerals Ltd
Annual report

ABN 51 119 678 385

for the period 12 May 2006 to 30 June 2006

Venture Minerals Ltd ABN 51 119 678 385
Annual report – 30 June 2006

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The directors present their report on the company for the period ended 30 June 2006.

Directors

The following persons were directors of the company during the financial period:

Mel Ashton
Andrew Radonjic
Kent Hunter

The above directors were appointed on 12 May 2006 and continue in office at the date of this report.

Principal activities

The principal activity of the company during the financial period was the establishment, promotion and management of the company for the purposes of future mineral exploration.

There were no significant changes in the nature of the company's principal activities during the financial period.

Dividends

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.

Review of operations

On 12 May 2006, Venture Minerals Ltd issued 1 ordinary subscriber share pursuant to the registration of the company.

During the period since incorporation the company has been involved in the promotion, management and fund raising activities.

Significant changes in the state of affairs

Significant changes in the state of affairs of the company during the financial period were as follows:

- (a) On 12 May 2006, Venture Minerals Ltd issued 1 ordinary subscriber share pursuant to the registration of the company.

Matters subsequent to the end of the financial period

Matters subsequent to the end of the financial period were as follows:

- (a) On 6 July 2006, the company issued 9,999,999 ordinary shares at \$0.0001 each to parties involved in the promotion, management and fund raising activities of the company.

In addition to the issue of ordinary shares, 1,000,000 options were issued which are exercisable at \$0.50 on or before 30 June 2009. A further 6,000,000 were issued which are exercisable at \$0.25 on or before 30 June 2009.

- (b) On 10 July 2006, the company entered into an agreement with Black Peak Holdings Limited (Black Peak) to purchase the following:

- (i) 100% of Black Peak's right, title and interest in the following tenements:

Western Australian Mining Tenements
E08/1456; and
E08/1457.

Tasmanian Mining Tenement
ELA21/2005.

- (ii) Black Peak's interest, obligations, benefits and rights arising out of the Memorandum of Understanding (Memorandum) between Black Peak, Allan Kelly and Debnal Pty Ltd (collectively Debnal) dated 28 April 2006 pertaining to the following tenements:

South Australian Mining Tenements
EL3511;
EL3529; and
EL3580.

Under the Memorandum, Black Peak or its nominee may earn the following interest in the South Australian Projects:

- 51% interest by spending \$750,000 on exploration within the first two years of the Joint Venture. Further minimum expenditure requirements must be met for the South Australian Projects of approximately \$180,000;

- A further 24% interest (total 75% interest) in the South Australian Projects by spending an additional \$1,250,000 on exploration within two years after the initial two year period;
- A further 15% interest (total 90% interest) in the South Australian Project by funding the completion of a bankable feasibility study (Study) on any of the South Australian Projects; and
- On completion of the Study, Debnal can elect to contribute expenditure at 10% or dilute to a 2% net smelter royalty.

(iii) Black Peak's interest, obligations, benefits and rights arising out of the Agreement (Devine Agreement) between Black Peak and Comet Resources Limited (Comet) dated 1 April 2006 pertaining to the following tenements:

Devine Mining Tenement
EL37/772.

Under the Devine Agreement, Black Peak or its nominee may earn the following interest in the Devine Mining Tenement:

- 100% interest by incurring expenditure of not less than \$250,000 on exploration activities.

The consideration payable to Black Peak to satisfy the acquisition of the above tenements is to be satisfied as follows:

- Cash payment of \$75,000 conditional on Venture being admitted to the Official List of Australian Securities Exchange; and
- The allotment and issue of 7,500,000 fully paid ordinary shares in the capital of Venture at a deemed issue price of \$0.0001.

- (c) On 10 July 2006, the company issued 7,500,000 ordinary shares at \$0.0001 each to Black Peak for the acquisition of mining tenements as noted in (b).
- (d) On 10 July 2006, the company entered into a consultancy agreement with Black Peak Holdings, Mr Stephen Parsons and Mr Hamish Halliday for the provision of management and consultancy service on the following terms and conditions:
 - (i) the term of the agreement is three years commencing on the date the company lists on ASX, with the agreement conditional on the company being admitted to ASX by 31 December 2006; and
 - (ii) the company will pay Black Peak a consultancy fee of \$7,000 per month (exclusive of GST) for services provided, to be reviewed annually and will be reimbursed for all reasonable expenses incurred.
- (e) On 20 July 2006, the company issued 925,000 ordinary shares at \$0.10 each to various parties for the purpose of raising seed capital.
- (f) On 27 July 2006, the company issued a further 1,575,000 ordinary shares at \$0.10 each to various parties for the purpose of raising seed capital.
- (g) On 15 September 2006, the company issued 25,000,000 ordinary shares at \$0.20 each to various parties pursuant to the prospectus issued by the company and dated 16 August 2006.
- (h) On 20 September 2006 the company completed a successful listing on the ASX.
- (i) On 20 September 2006 the company paid \$75,000 to Black Peak Holdings Ltd as final consideration upon completion of the acquisition noted in (b).

Except for matters discussed above, no other matter or circumstance has arisen since 30 June 2006 that has significantly affected, or may significantly effect:

- (a) the company's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the company's state of affairs in future financial years.

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 company and the expected results of operations have not been included in this annual financial report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Environmental regulation

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

Insurance of officers

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001, every officer, auditor or agent of the company shall be indemnified out of the property of the company against any liability incurred by him in his capacity as Officer, auditor or agent of the company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Auditor's independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

Auditor

Stantons International continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors.



Andrew Radonjic
Managing Director

Perth
28 February 2007

28 February 2007

Board of Directors
Venture Minerals Limited
Freemasons Building
181 Roberts Road
Subiaco WA 6008

Dear Sirs

RE: VENTURE MINERALS LIMITED

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

As Audit Director for the audit of the financial statements of Venture Minerals Limited for the period ended 30 June 2006, 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

Venture Minerals Ltd ABN 51 119 678 385

Annual financial report – 30 June 2006

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This financial report covers Venture Minerals Ltd as an individual entity. The financial report is presented in the Australian currency.

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

Venture Minerals Ltd
Freemasons Building
181 Roberts Road
SUBIACO WA 6008

A description of the nature of the company's operations and its principal activities is included in the directors' report on pages 2 - 4, which is not part of this financial report.

The financial report was authorised for issue by the directors on 28 February 2007. The company has the power to amend and reissue the financial report.

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 at our Shareholders' Centre on our website: www.ventureminerals.com.au.

Venture Minerals Ltd
Income statement
For the period 12 May 2006 to 30 June 2006

	Notes	2006 \$
Revenue from continuing operations		-
Finance costs	3	(12)
Profit before income tax		<u>(12)</u>
Income tax expense		-
Profit for the year		<u>(12)</u>

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

Venture Minerals Ltd
Balance sheet
As at 30 June 2006

	Notes	2006 \$
ASSETS		
Current assets		
Cash and cash equivalents	4	<u>688</u>
Total current assets		<u>688</u>
Total assets		<u><u>688</u></u>
LIABILITIES		
Current liabilities		
Other payables	5	<u>700</u>
Total current liabilities		<u>700</u>
Total liabilities		<u><u>700</u></u>
Net assets		<u><u>(12)</u></u>
EQUITY		
Contributed equity	6	-
Retained profits	7	<u>(12)</u>
Total equity		<u><u>(12)</u></u>

The above balance sheet should be read in conjunction with the accompanying notes.

Venture Minerals Ltd
Statement of changes in equity
For the period 12 May 2006 to 30 June 2006

	Notes	2006 \$'000
Total equity at the beginning of the financial year		<u>-</u>
Profit for the year		(12)
Total equity at the end of the financial year		<u>(12)</u>

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

Venture Minerals Ltd
Cash flow statement
For the period 12 May 2006 to 30 June 2006

	Notes	2006 \$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of goods and services tax)		(12)
Net cash (outflow) from operating activities		(12)
Net cash from investing activities		-
Cash flows from financing activities		
Proceeds received for the future issue of shares		700
Net cash inflow from financing activities		700
Net increase in cash and cash equivalents		688
Cash and cash equivalents at the beginning of the financial year		-
Cash and cash equivalents at end of year	4	688

The above cash flow statement should be read in conjunction with the accompanying notes.

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1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with IFRSs

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIFRSs ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRSs).

Early adoption of standards

The company has not elected to early adopt any standards.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. There are no specific areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are more significant to the financial statements.

(b) Segment reporting

A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments.

(c) 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.

(d) Income tax

The income tax expense or revenue 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.

(e) Leases

Leases of property, plant and equipment where the company 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 income statement 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 income statement on a straight-line basis over the period of the lease.

(f) Impairment of assets

At each reporting date the Company 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.

(g) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes 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.

(h) 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:

- (i) such costs are expected to be recouped through successful development and exploitation or from sale of the area: or
- (ii) exploration and evaluation activities in the area have not, at balance date, reached a stage which permit 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.

(i) 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 income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Plant and equipment	40%
Office furniture and equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet 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(f)).

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

(j) 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.

(k) 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 sheet 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.

(l) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick 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 Company 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 Share Option (ESOP), 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').

(m) 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.

(n) 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.

(o) 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 balance sheet.

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.

(p) Comparatives

The company was incorporated on 12 May 2006 and therefore no comparative figures have been presented as this is the first financial period that the company has traded.

2 Segment information

Primary reporting format – geographical segments

The consolidated entity operates predominantly in one geographical segments, being Australia, and in one business segment, mineral mining and exploration. Substantially all of the entity's resources are deployed for this purpose.

3 Expenses

2006
\$

Profit before income tax includes the following specific expenses:

<i>Finance costs</i>	
Interest and finance charges paid/payable	(12)
Amount capitalised	(12)
Finance costs expensed	-
	(12)

4 Current assets - Cash and cash equivalents

Cash at bank and in hand	688
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(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

	2006 \$
Balances as above	688
Bank overdrafts	-
Balances per statement of cash flows	688

(b) Cash at bank and on hand

These are non-interest bearing.

5 Current liabilities – Other payables

	2006 \$
Other payables	700

6 Contributed equity

	Notes	2006 Shares	2006 \$
(a) Share capital			
Ordinary shares- fully paid	(b),(c)	1	-

(b) Movements in ordinary share capital:

Date	Details	Notes	Number of shares	Issue price	\$
12 May 2006	Opening balance		-		-
12 May 2006	Share issue	(d)	1	\$0.0001	-
					-
	Less: Transaction costs arising on share issue				-
30 June 2006	Balance		1		-

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Share issue

On 12 May 2006 the company issued 1 ordinary share at an issue price of 0.01 cents per share.

The purpose of the share issue was pursuant to the registration of the company.

7 Retained profits

Movements in retained profits were as follows:

	2006 \$
Balance 12 May 2006	-
Net loss for the year	(12)
Balance 30 June 2006	(12)

8 Contingent liabilities

There are no contingent liabilities outstanding at year end.

9 Commitments

There are no commitments at year end.

10 Related party transactions

(a) Key management personnel

The name and positions held of company key management personnel in office at any time during the financial period are:

Mr Mel Ashton	Non-Executive Chairman	(appointed 12 May 2006)
Mr Andrew Radonjic	Managing Director	(appointed 12 May 2006)
Mr Kent Hunter	Non-Executive Director	(appointed 12 May 2006)

No remuneration has been paid for the current financial period.

(b) Transactions with other related parties

The company has not entered into any transactions with related parties during the financial period.

11 Events occurring after the balance sheet date

Matters subsequent to the end of the financial period were as follows:

- (a) On 6 July 2006, the company issued 9,999,999 ordinary shares at \$0.0001 each to parties involved in the promotion, management and fund raising activities of the company.

In addition to the issue of ordinary shares, 1,000,000 options were issued which are exercisable at \$0.50 on or before 30 June 2009. A further 6,000,000 were issued which are exercisable at \$0.25 on or before 30 June 2009.

- (b) On 10 July 2006, the company entered into an agreement with Black Peak Holdings Limited (Black Peak) to purchase the following:

- (i) 100% of Black Peak's right, title and interest in the following tenements:

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E08/1456; and
E08/1457.

Tasmanian Mining Tenement
ELA21/2005.

- (ii) Black Peak's interest, obligations, benefits and rights arising out of the Memorandum of Understanding (Memorandum) between Black Peak, Allan Kelly and Debnal Pty Ltd (collectively Debnal) dated 28 April 2006 pertaining to the following tenements:

South Australian Mining Tenements
EL3511;
EL3529; and
EL3580.

Under the Memorandum, Black Peak or its nominee may earn the following interest in the South Australian Projects:

- 51% interest by spending \$750,000 on exploration within the first two years of the Joint Venture. Further minimum expenditure requirements must be met for the South Australian Projects of approximately \$180,000;
- A further 24% interest (total 75% interest) in the South Australian Projects by spending an additional \$1,250,000 on exploration within two years after the initial two year period;

11 Events occurring after the balance sheet date (continued)

- A further 15% interest (total 90% interest) in the South Australian Project by funding the completion of a bankable feasibility study (Study) on any of the South Australian Projects; and
- On completion of the Study, Debnal can elect to contribute expenditure at 10% or dilute to a 2% net smelter royalty.

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EL37/772.

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- 100% interest by incurring expenditure of not less than \$250,000 on exploration activities.

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- Cash payment of \$75,000 conditional on Venture being admitted to the Official List of Australian Securities Exchange; and
- The allotment and issue of 7,500,000 fully paid ordinary shares in the capital of Venture at a deemed issue price of \$0.0001.

- (c) On 10 July 2006, the company issued 7,500,000 ordinary shares at \$0.0001 each to Black Peak for the acquisition of mining tenements as noted in (b).
- (d) On 10 July 2006, the company entered into a consultancy agreement with Black Peak Holdings, Mr Stephen Parsons and Mr Hamish Halliday for the provision of management and consultancy service on the following terms and conditions:
- (i) the term of the agreement is three years commencing on the date the company lists on ASX, with the agreement conditional on the company being admitted to ASX by 31 December 2006; and
 - (ii) the company will pay Black Peak a consultancy fee of \$7,000 per month (exclusive of GST) for services provided, to be reviewed annually and will be reimbursed for all reasonable expenses incurred.
- (e) On 20 July 2006, the company issued 925,000 ordinary shares at \$0.10 each to various parties for the purpose of raising seed capital.
- (f) On 27 July 2006, the company issued a further 1,575,000 ordinary shares at \$0.10 each to various parties for the purpose of raising seed capital.
- (g) On 15 September 2006, the company issued 25,000,000 ordinary shares at \$0.20 each to various parties pursuant to the prospectus issued by the company and dated 16 August 2006.
- (h) On 20 September 2006 the company completed a successful listing on the ASX.

Except for matters discussed above, no other matter or circumstance has arisen since 30 June 2006 that has significantly affected, or may significantly effect:

- (a) the company's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the company's state of affairs in future financial years.

In the directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 19 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 company's financial position as at 30 June 2006 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the financial period 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

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



Andrew Radonjic
Managing Director

Perth
28 February 2007

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF VENTURE MINERALS LIMITED

SCOPE

The financial report and directors' responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the director's declaration for Venture Minerals Limited (the Company) for the period ended 30 June 2006.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud or error, and for the accounting policies and accounting estimates inherent in the financial report.

Auditor approach

We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatement have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

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

INDEPENDENCE

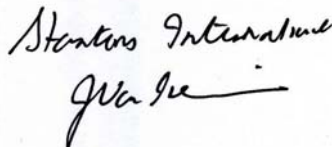
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

AUDIT OPINION

In our opinion, the financial report of Venture Minerals Limited is in accordance with:

- a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2006 and of their performance for the period ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- b) other mandatory professional reporting requirements in Australia.

STANTONS INTERNATIONAL



The image shows a handwritten signature in black ink on a light blue background. The signature is written in a cursive style and appears to read 'J P Van Dieren'.

J P Van Dieren
Director

Perth, Western Australia
28 February 2007