



# Annual Report 2011

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)

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 2011.

Venture has achieved a series of major milestones over the past 12 months as the Company moves closer to becoming a significant tin/tungsten producer. The past year has seen the Company substantially grow the resource base at Mt Lindsay, complete an independent pre-feasibility and commence a bankable feasibility study. In addition to major advancements at Mt Lindsay, Venture also identified a significant direct shipping ore ("DSO") hematite deposit at Livingstone, which has potential to deliver early cash flow to the Company.


Following extensive drilling throughout the year, the Company completed a major resource upgrade in November 2010. The new resource saw Mt Lindsay elevated to one of the world's largest undeveloped tin/tungsten projects with over 120,000 tonnes of contained tin/tungsten metal. The new resource also included a 75% conversion of previous inferred resources to the indicated category.

By March 2011 Venture had completed an independent pre-feasibility study on Mt Lindsay, the results of which suggested a future operation would generate substantial revenue, operate at a high margin per tonne and deliver an excellent internal rate of return. Following positive results of the study Venture immediately commenced a bankable feasibility study.

In addition to major advancements at Mt Lindsay, Venture has continued an aggressive exploration campaign which has delivered on-going success at prospects such as Reward and Contact Creek. Exploration has also resulted in the Company identifying a significant DSO hematite deposit at Livingstone. An initial scoping study on the new area suggested that very little up front capital would be required to commence production and that substantial cash flow could be generated from the new project.

This year has seen the Company continue to grow its commanding tenement position in Tasmania's northwest, with newly granted licenses delivering multiple new opportunities. The Company anticipates continued growth in its resource base over the coming year and is very confident that new discoveries will be made within the greater Mt Lindsay Project.

Following several years of focussed exploration and detailed studies the Company is now on the cusp of completing a bankable feasibility study which should pave the way for Venture to become a significant tin/tungsten producer. Despite challenging market conditions the Company has consistently added value to the Mt Lindsay Project which is now recognised as one of the world's largest undeveloped tin/tungsten projects. The Company credits its success to a dedicated team of technical and managerial staff and contractors 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**  
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 2011 in order to comply with the provisions of the *Corporations Act 2001*.

### 1. Directors

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

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

### 2. Principal Activities

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

### 3. Operating Results

The loss of the consolidated entity after providing for income tax amounted to \$4,131,656 (2010: \$2,298,899).

### 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 \$19,778,308 in cash and cash equivalents as at 30 June 2011 (2010: \$9,884,326) which the Directors believe puts the consolidated entity in a sound financial position with sufficient capital to complete the bankable feasibility study and conduct the exploration program.

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

Venture Minerals is currently focused upon an aggressive exploration program and on the development of the current resources identified at its Mt Lindsay Project. The Company will also continue to work on its other 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 13 October 2010 the company completed the first of the two tranche capital raising by issuing 24,500,000 shares at \$0.44 raising total funds of \$10,780,000.
- On 22 November 2010 the company completed a share purchase plan by issuing 16,869,998 shares at \$0.44 raising total funds of \$7,422,799.
- On 23 November 2010 the company completed the second of the two tranche capital raising by issuing 11,410,260 shares at \$0.44 raising \$5,020,514.
- On 25 November 2010 the company announced a resource upgrade to in excess of 120,000 tonnes of contained tin/tungsten at 0.40% tin equivalent.
- On 1 March 2011 the company announced the results of its pre-feasibility studies.

## 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 (Refer Fig 1). The project area covers over 371 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 is also earning a 70% interest in tin, tungsten and iron, through a joint venture with Bass Metals, covering a further 145km<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, No. 2 and Reward Skarns which extend over a combined strike 3.6 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.
- Close to abundant water

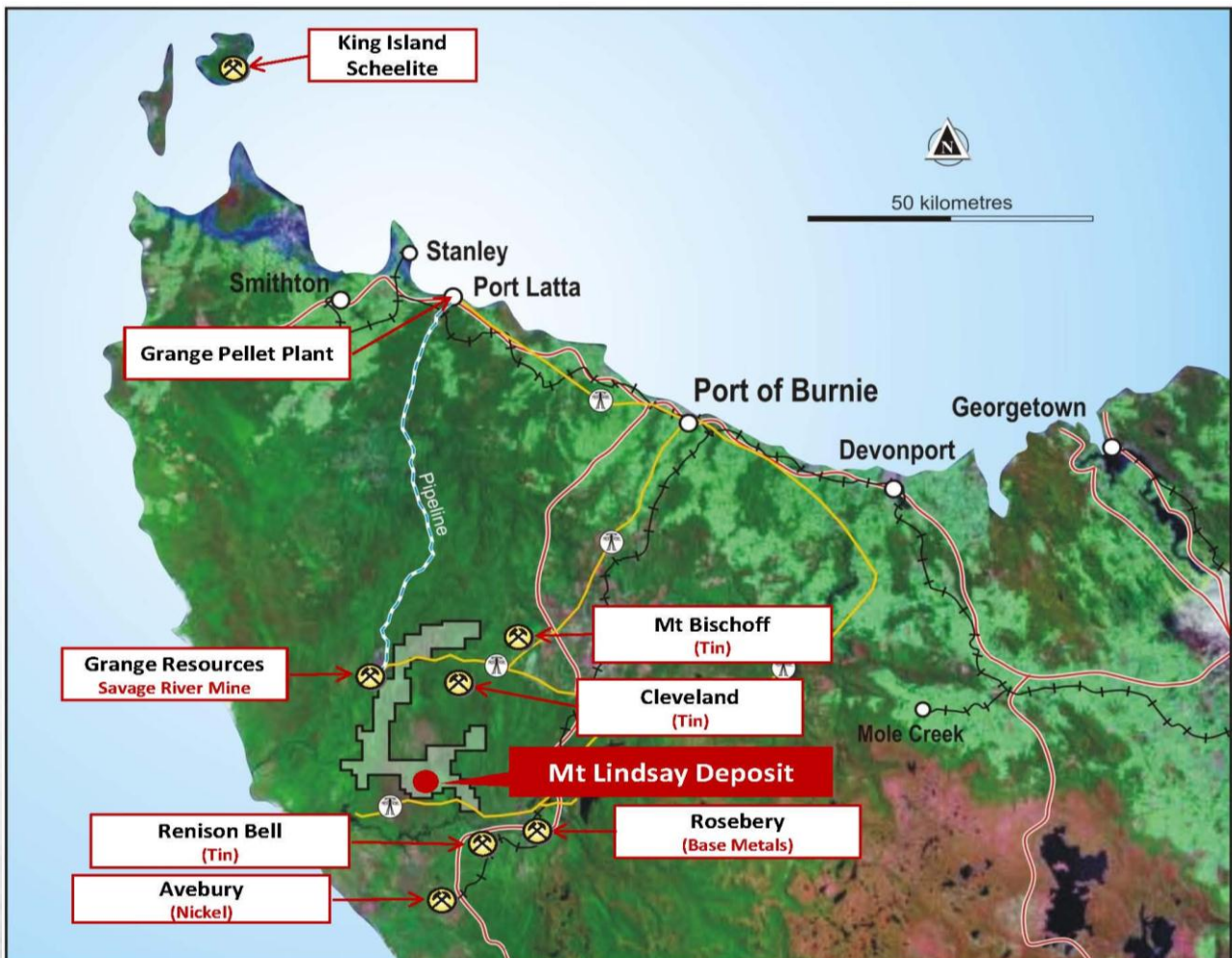


Figure 1: Mount Lindsay Project Area

## 8. Review of Operations (continued)

### Resource Base

Since commencing exploration on the project in mid-2007, Venture has completed +60,000m of diamond core drilling at Mt Lindsay and successfully defined one of the world's largest undeveloped tin/tungsten projects. The Company's latest (November 2010) JORC compliant resource estimate contains over 120,000 tonnes of contained tin/tungsten metal:

Lower Cut (Tin equiv)	Category	Tonnes	Tin Equiv. Grade	Tin Grade	Tungsten Grade (WO <sub>3</sub> )	Contained Tin Metal (tonnes)	Contained Tin/Tungsten Metal (tonnes)
0.20%	Indicated	23Mt	0.4%	0.2%	0.1%	47,000	71,000
	Inferred	20Mt	0.4%	0.2%	0.1%	36,000	49,000
	<b>TOTAL</b>	<b>43Mt</b>	<b>0.4%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>82,000</b>	<b>120,000</b>
0.35%	Indicated	11Mt	0.6%	0.3%	0.2%	31,000	51,000
	Inferred	6.8Mt	0.5%	0.3%	0.1%	22,000	30,000
	<b>TOTAL</b>	<b>18Mt</b>	<b>0.6%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>53,000</b>	<b>81,000</b>
0.45%	Indicated	6.2Mt	0.7%	0.4%	0.3%	22,000	37,000
	Inferred	4.2Mt	0.6%	0.4%	0.2%	17,000	23,000
	<b>TOTAL</b>	<b>10Mt</b>	<b>0.7%</b>	<b>0.4%</b>	<b>0.2%</b>	<b>38,000</b>	<b>61,000</b>

Table 1: Tin-Tungsten Resource Estimate as at 25 November 2010

#### Notes:

- The Sn equivalent formula used to calculate the Sn equivalent values is as follows: Sn Equivalent (%) = Sn% + (WO<sub>3</sub>% x 1.02306) + (weight recovery % of magnetic Fe x 0.005702).
- The mass recovery of the magnetic iron is determined mostly by Davis Tube Results ("DTR"). Full details are in Appendix Two.
- This formula uses a tin metal price of US\$23,850/t, an APT (Ammonium Para Tungstate) price of US\$244/mtu (1mtu = 10kgs of WO<sub>3</sub>) and an iron price of US\$136/t.
- The metallurgical recovery for tin is 71%, for WO<sub>3</sub> is 80% and for iron in the form of magnetite is 95%. These recoveries are based on significant testwork used to support the Scoping Study as stated in the ASX announcement of 14 May 2010.
- It is the Company's opinion that the tin, WO<sub>3</sub> and iron in the form of magnetite as included in the metal equivalent calculations have a reasonable potential to be recovered for when the Mt Lindsay Project goes into production.

The resource base at Mt Lindsay has been defined at several lower cut-offs, the Company is currently focussed on the higher grade zones which contain approximately 10mt @ 0.7% tin equivalent. This resource is considered high grade when compared with the grade of large tin deposits worldwide which averages 0.4% tin. In addition, the resources at Mt Lindsay are shallow dipping, occur from surface and are amenable to open pit mining.

The Company has been very successful to date, having defined a large resource base; however Venture has only drill tested approximately 10% of the total skarns identified within the project area. The Company still has an additional 37 strike kilometres of interpreted skarns to be tested within the broader Mt Lindsay Project. (Refer Fig 2)

8. Review of Operations (continued)

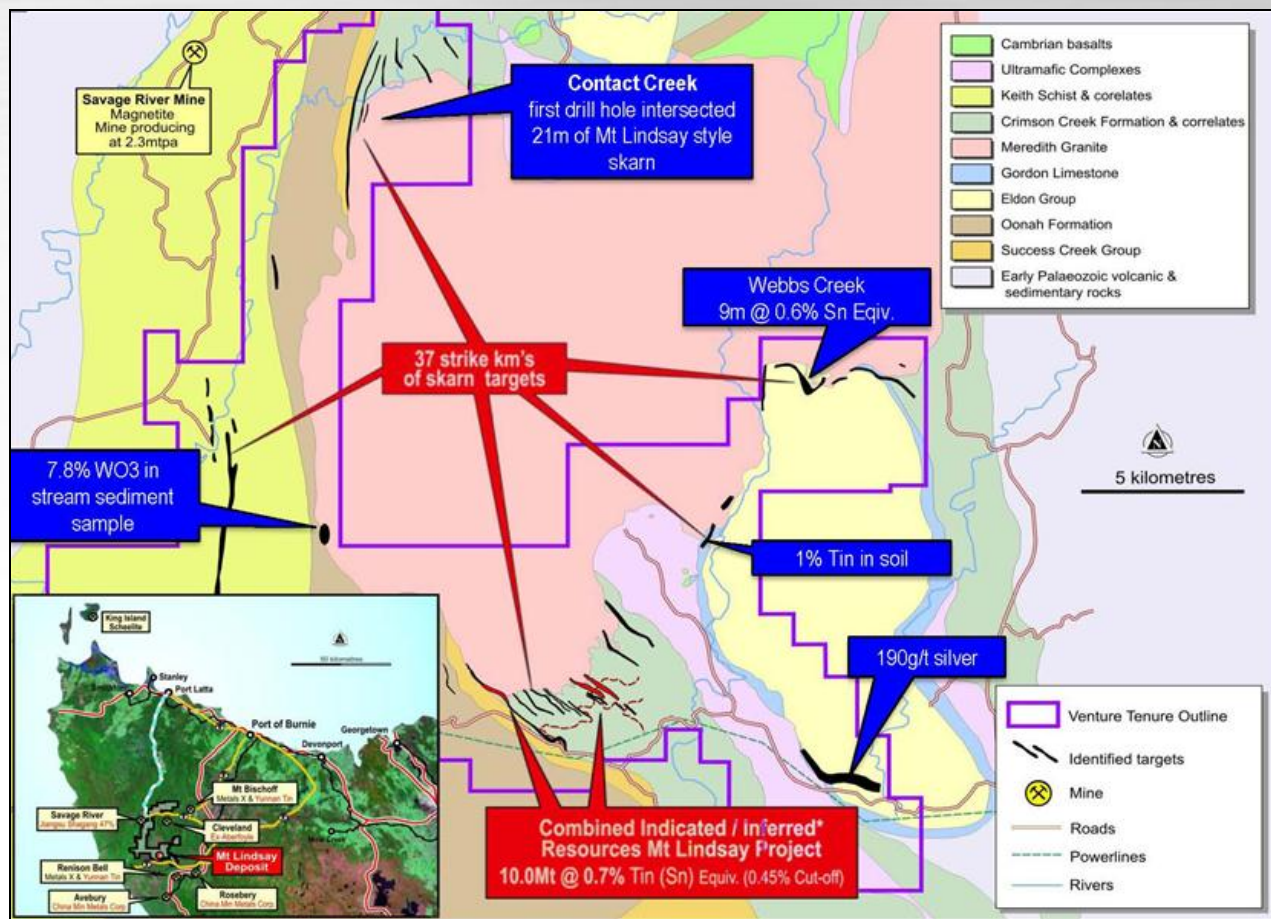


Figure 2: Mt Lindsay Exploration

Pre-Feasibility Studies

In March this year the Company completed a detailed independent pre-feasibility study on the Mt Lindsay Deposit. The study concluded that the project is very robust, has a high margin per tonne and an excellent internal rate of return. The study entertained a 1.3million tonne per annum operation, producing concentrates of tin, tungsten, copper and magnetite. The study was completed in early 2011 and was based on the following per tonne commodity prices (Tin – US\$25,400, Tungsten – US\$28,200, Magnetite US\$130 and Copper US\$7,980)

	Commodity Price Comparisons		
	Upside Case (Spot)	Preferred Case (Spot -10%)	Conservative Case (Spot -20%)
▪ Revenue Life of Mine	\$1,410m	\$1,270m	\$1,130m
▪ Net Cash Life of Mine	\$710m	\$570m	\$430m
▪ IRR (50% equity, 50% debt)	55%	42%	29%
▪ Ave Net Cash per Annum	\$90m	\$72m	\$54m
▪ Mine life of 8 years already defined			
▪ Capital Costs - \$162m (Includes additional APT plant)			

Notes:

- The key economics are on a pre-tax basis and at full production
- For full list of assumptions please refer to ASX announcement 1/3/2011

Following very robust results from the Pre-Feasibility Study the Company immediately commenced a bankable feasibility study which is scheduled for completion in the first half of 2012. The study, currently well underway, is focused on all major aspects of mine development including detailed studies in resource estimation, metallurgy, geotechnical, hydrological, environmental, mine design and infrastructure and logistics.

## 8. Review of Operations (continued)

### Exploration (Mt Lindsay)

Exploration has continued to play a major role in the Company's activities over the past year. Venture has seen significant new discoveries made at neighbouring prospects such as Reward and Livingstone, as well as regional discoveries such as Contact Creek.

In late 2010 the Reward Prospect started to deliver consistent drill results confirming the prospect's potential to deliver near surface, high grade tin mineralization. This drilling success culminated in the Reward Prospect delivering additional inferred resources to the overall Mt Lindsay resource base. By March 2011 the Company began to focus exploration on the Livingstone Prospect which had previously shown potential for DSO hematite style mineralisation. A focussed drill program throughout the second quarter delivered a maiden DSO hematite resource at Livingstone. The Company immediately completed a scoping study over the new Livingstone Deposit which produced the following results:

- **Net Revenue (LOM) – A\$92 million**
- **Capital Cost Estimate – less than A\$3 million**
- **\$50 operating margin per tonne**
- **Estimated production timeframe - Second half of 2012.**

Having delivered such compelling results from the first scoping study at Livingstone the Company is now fast tracking the DSO prospect to maximise the opportunity for early cash flow.

Regional exploration also continued throughout the year with several new prospects showing long term promise. In particular the reconnaissance drilling targeting the Contact Creek area which delivered immediate success with the first hole intersecting 21m of Mt Lindsay style skarn (Refer Fig 2). This result clearly demonstrates the significant potential for further economic discoveries on the northern margin of the Meredith Granite.

The success at both the Reward and Livingstone Prospects has again confirmed the potential for significant discoveries immediately around the Mt Lindsay Deposit and the success at Contact Creek suggests there is potential for the broader Mt Lindsay Project to host multiple new discoveries.

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

Venture's Maitland Channel Project (318km<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.

Activities during the year on the Devine Nickel Sulphide Prospect saw the Company receive anomalous results from the two targets identified in the previous Auger Drilling Program. The targets are within the same ultramafic sequence and are located 300-500 metres south of the historic drill intersections that the area initially drill tested in 2007 (best result of 2m @ 0.7%Ni from 121m). Later in the year the Company decided to relinquish E37/772 which contained the Devine Nickel Sulphide Prospect.

Activities during the year on the uranium targets were limited to a reconnaissance program on the newly granted tenement including rock chip sampling and geological mapping.

### 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 successfully completed a Joint Venture Agreement for the project with newly listed (June 28 2011) Rumble Resources Limited (ASX:RTR). The Joint Venture terms are as follows:

- Rumble Resources Limited ("Rumble") has agreed to acquire a 51% initial interest in the Project through the completion of A\$500,000 of expenditure on the Project within three years of the Purchaser being admitted to the official list of ASX. This work shall include a minimum of 3,000m of RC and/or diamond drilling, of which 1,500m of RC and/or diamond drilling must be completed before withdrawing from the Agreement and within 12 months of being admitted to the official list of ASX.

## 8. Review of Operations (continued)

- Rumble may acquire a further 19% interest in the Project through the completion of a further A\$1,000,000 of expenditure on the Project within 5 years of the Purchaser being admitted to the official list of the ASX.
- Upon Rumble acquiring a 70% in the Project the Vendor shall have the option to contribute to further expenditure or dilute to a 10% interest in the Project.
- If Venture elects to dilute to 10%, Venture shall be free carried to a decision to mine capped at an additional A\$10 million of expenditure by Rumble.
- At the completion of the expenditure of \$10 million by the Rumble or a decision to mine (whatever comes first) Venture shall have the option to contribute to further expenditure or revert to a 1% Net Smelter Royalty.
- This agreement is conditional upon and subject to the following conditions;
- Rumble must keep all of the tenements within the Project in good standing from the date of this Option Agreement.
- The Consent of the Minister of Mines under the Mining Act 1978 (WA) (if required).

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

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

There was no field activity during the year.

Mega Hindmarsh Pty Ltd ("Mega") a subsidiary of Toronto listed Mega Uranium Limited continues to be in a uranium joint venture with the Company on the Harris Bluff Project. On 10 August 2011, an extension to the terms under the Joint Venture Heads of Agreement were approved. The key terms of the extension are; Venture has the right to increase its interest from 51% to 75% by incurring a further \$750,000 in expenditure by the same time allowed to Mega; Mega will have under the extended terms, 12 months to incur \$300,000 of expenditure within 12 months of the granting of ELA2011/00047 (replacement license of EL3580), Mega will be entitled to 100% of Ventures Tenement interest at the time (which will be a 51% interest in ELA2011/0047); and if Mega incurs Expenditure of \$450,000 within 24 months after meeting the initial expenditure requirement within 24 months, Mega will be entitled to 100% of Venture's tenement interest in the newly granted ELA2011/00047 (at which time will be 75%).

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

On 29 July 2011, the Company announced the maiden DSO (direct shipping ore) resource of 2.2 million tonnes of iron ore at the newly defined Livingstone Deposit situated near the Stanley River area. A scoping study delivered positive results of upwards of \$90 million in net revenue from the sale of DSO, with less than \$3 million up front capital costs.

On 5 September 2011, the Company signed a MOU (memorandum of understanding) with Grange Resources Limited (Grange). Grange wholly own and operate the Savage River mine situated 25 kms from Venture's Mt Lindsay Project exporting approximately 2.0 million tonnes per annum of iron ore pellets. Under the MOU, the joint development with Grange would provide synergistic benefits to both parties and allow Venture access to Grange's long established infrastructure and the opportunity to explore a range of development options with Grange, for the proposed magnetite production from the Mt Lindsay Project.

On 16 September 2011, the Company announced its submission of a Mining Lease Application (MLA) over the Company's flagship Mt Lindsay Tin/Tungsten Project in northwest Tasmania. The MLA was submitted to the Registrar of Mines, Minerals Resources Tasmania on 15 September 2011.

## 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**

Mr 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
	70 cent Options expiring 20 March 2013	750,000
	30 cent Options expiring 20 February 2012	750,000
Other Directorships	Gryphon Minerals Limited (since 18 May 2004) Empired Ltd (since 21 December 2005) Renaissance Minerals Limited (since 25 March 2010) Barra Resources Limited (since 13 January 2011) Resource Development Group Limited (since 9 February 2011) Empire Beer Group Limited (From 21 June 2006 to 18 March 2009)	
Mr 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 Tin-Tungsten Project.  Prior to Venture Minerals, Mr Halliday founded Adamus Resources Limited, a company he ran as CEO for 6 years growing the company from a A\$3 million float to a multi-million ounce emerging gold producer. Mr Halliday also co-founded Gryphon Minerals a very successful junior explorer defining a significant gold resource in West Africa. Mr Halliday is also a Director of Avonlea Minerals Ltd.	
Interest in Securities	Fully Paid Ordinary Shares	6,425,000
	70 cent Options expiring 20 March 2013	2,250,000
	30 cent Options expiring 20 February 2012	3,400,000
Other Directorships	Avonlea Minerals Limited (since 22 May 2009)	
Mr 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
	70 cent Options expiring 20 March 2013	1,750,000
	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)**

Mr 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	70 cent Options expiring 20 March 2013	750,000
	30 cent Options expiring 20 February 2012	750,000

Other Directorships Catalpa Resources Limited (since 9 June 2008)  
Territory Resources Limited (from 17 March 2007 to 17 April 2008)

Mr John Jetter Independent Non-Executive Director

Qualifications B.Law, B.Econ, INSEAD

Experience Mr Jetter has extensive international finance and M&A experience being the former Managing Director, CEO and head of investment banking of JPMorgan in Germany and Austria, and a member of the European Advisory Council, JPMorgan London. He has held various senior positions with JPMorgan during which time he focused his attention on major corporate clients and advised on some of Europe’s largest corporate transactions.

Mr Jetter currently holds a number of other board positions including Member of the Board of Otto Energy Limited, Chairman of Katherine Jetter Limited (Delaware) and Member of the Advisory Board of Rosemont Realty Corporation (Santa Fe).

Mr Jetter previously held positions as Chief Executive Officer of JPMorgan for Germany, Austria and Switzerland, Member of the Board of Conergy AG, Chairman of the Board of Rodenstock GMBH (Germany), Deputy Chairman of the Board of European Business School, and Chairman of the Finance Faculty Oestrich-Winkel, Germany.

Interest in Securities	Fully Paid Ordinary Shares	2,259,000
	70 cent Options expiring 20 March 2013	500,000
	55 cent Options expiring 20 March 2013	500,000

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:

Mr 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 the Company Secretary for Gryphon Minerals Limited, Avonlea Minerals Limited and Renaissance Minerals Limited.

## 12. Audited Remuneration Report

The remuneration report is set out under the following headings:

- A. Introduction
- B. Remuneration governance
- C. Managing Director and Executive remuneration
- D. Non-Executive Director remuneration
- E. Details of share based payment
- F. Service Agreements

### A. Introduction

This report details the nature and amount of remuneration for all key management personnel of Venture Minerals Limited and its subsidiaries. The information provided within this remuneration report has been audited as required by section 308(C) of the *Corporations Act 2001*. The Individuals included in this report are:

#### Non-Executive Directors

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

#### Executive Directors

Mr H Halliday	Managing Director
Mr A Radonjic	Technical Director

#### Other Executives

Mr G Beros	General Manager – Metallurgy	(Appointed 2 May 2011)
Mr S Owen	Exploration Manager	
Mr B Dunnachie	Company Secretary	

All of the key management personnel held their positions for the entire financial year and up to the date of this report except for Mr G Beros who was appointed on the 2 May 2011.

### B. Remuneration governance

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

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

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

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

### C. Managing Director and Executive Remuneration

#### Remuneration Policy

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

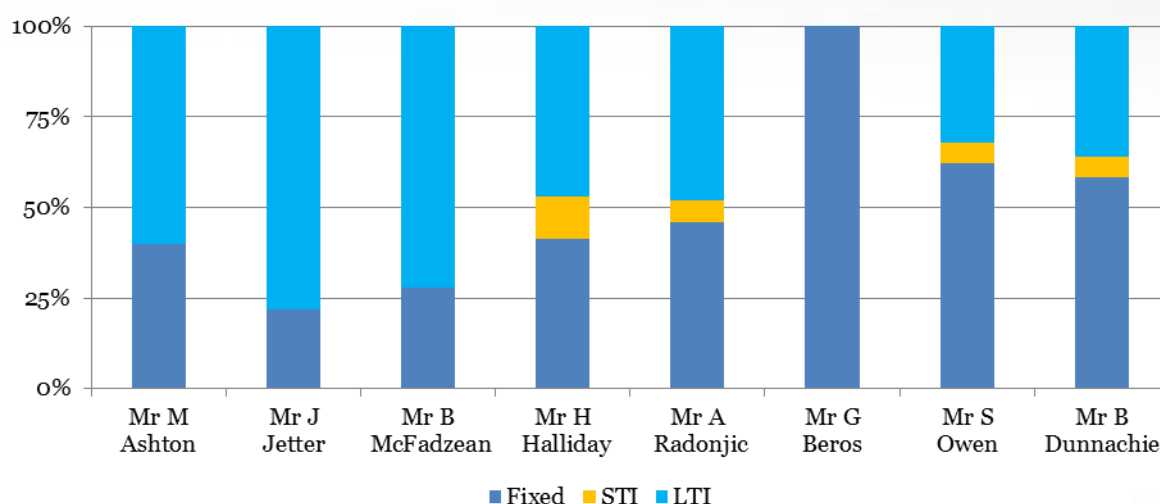
**12. Audited Remuneration Report (continued)**

**C. Managing Director and Executive Remuneration (continued)**

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

The Board also ensures that the mix of executive compensation between fixed, variable, long-term, short-term and cash versus equity is appropriate. The group endeavours to reduce cash expenditure by providing a greater proportion of compensation in the form of equity instruments. This allows cash-flows to be directed towards exploration programs with a view to improving the quality of our projects. The following table sets out the mix of remuneration for all key management personnel between fixed, short-term incentives and long-term incentives for the 2011 financial year.

**Mix of Remuneration - June 2011**



*Fixed Remuneration*

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

*Short-term Incentives (STI)*

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

*Long-term Incentives (LTI)*

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

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

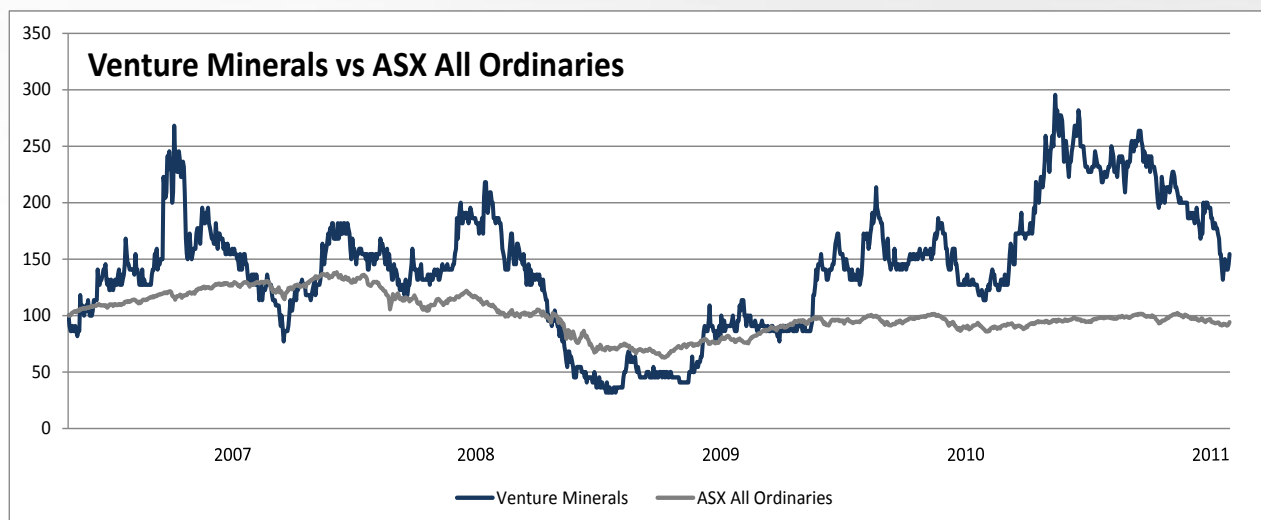
**12. Audited Remuneration Report (continued)**

**C. Managing Director and Executive Remuneration (continued)**

*Company Performance, Shareholder Wealth & Executive Remuneration*

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

As demonstrated by the chart below Venture has outperformed the ASX All Ordinaries consistently over the previous 5 years only retracing in early 2007 and mid 2008 during the global financial crisis. This confirms the congruence between shareholder wealth development and the issue of long term incentives such as the issue of options to executives.



Values derived on a base of 100

	2007	2008	2009	2010	2011
	\$	\$	\$	\$	\$
Revenue	120,449	169,406	106,971	305,974	1,070,673
Net Loss	(1,016,594)	(2,024,880)	(3,384,063)	(2,298,899)	(4,161,656)
Share Price	\$0.30	\$0.41	\$0.24	\$0.25	\$0.34
Dividends	Nil	Nil	Nil	Nil	Nil

**D. Non-Executive Remuneration**

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

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

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

Further to ongoing reviews, the maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. In addition to director fees, all non-executive directors were issued options during the financial year. These issues were approved by shareholders at the 2010 Annual General Meeting. Options were issued to non-executives as they provide an indirect mechanism of aligning shareholder wealth and non-executive director remuneration.

**12. Audited Remuneration Report (continued)****D. Non-Executive Remuneration (continued)**

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. In determining competitive remuneration rates, the Board reviews local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Reviews are performed to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

**E. Details of Remuneration**

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

	Short Term Benefits				Post Employment	Securities	Total
	Cash Salary	Incentives	Consulting Fees	Other Amounts	Super-annuation	Options <sup>A</sup>	\$
<b>2011</b>							
Non-Executive Directors							
Mr M Ashton	75,000	-	7,500	3,559	-	135,336	221,395
Mr J Jetter	50,000	-	-	3,559	-	195,176	248,735
Mr B McFadzean	45,871	-	-	3,559	4,128	135,336	188,894
Executive Directors							
Mr H Halliday	325,000	101,000	-	3,559	38,340	406,008	873,907
Mr A Radonjic	265,000	40,000	-	10,720	27,450	315,784	658,954
Group Executives							
Mr S Owen	160,000	16,000	-	-	15,840	90,224	282,064
Mr B Dunnachie	69,000	6,900	-	3,559	-	45,112	124,571
Mr G Beros <sup>F</sup>	45,480	-	-	-	4,093	-	49,573
<b>Total Remuneration</b>	<b>1,035,351</b>	<b>163,900</b>	<b>7,500</b>	<b>28,515</b>	<b>89,851</b>	<b>1,322,976</b>	<b>2,648,093</b>
<b>2010</b>							
Non-Executive Directors							
Mr M Ashton	73,750	-	-	1,892	-	43,772	119,414
Mr J Jetter <sup>B</sup>	-	-	-	-	-	-	-
Mr B McFadzean	45,539	-	-	1,892	4,099	43,772	95,302
Executive Directors							
Mr H Halliday <sup>C</sup>	393,536	-	-	1,892	35,418	198,434	629,280
Mr A Radonjic <sup>D</sup>	237,005	-	-	8,863	32,591	87,544	366,003
Group Executives							
Mr S Owen <sup>E</sup>	227,425	-	-	-	23,158	58,363	308,946
Mr B Dunnachie <sup>G</sup>	-	-	-	-	-	10,213	10,213
Mr G Beros	-	-	-	-	-	-	-
<b>Total Remuneration</b>	<b>977,255</b>	<b>-</b>	<b>-</b>	<b>14,539</b>	<b>95,266</b>	<b>442,098</b>	<b>1,529,158</b>

**12. Audited Remuneration Report (continued)****E. Details of Remuneration (continued)**

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

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

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

C: 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.

D: 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.

E: 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.

F: Mr G Beros was appointed on the 2 of May 2011

G: Mr B Dunnachie did not directly receive any salary or fees in the 2010 financial year as his benefits were provided by a related party and recharged accordingly.

**(c) Options issued as part of remuneration for the year ended 30 June 2011**

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 2011</b>						
Non-Executive Directors						
Mr M Ashton	750,000	135,336	60%	-	-	-
Mr B McFadzean	750,000	135,336	72%	-	-	-
Mr J Jetter <sup>A</sup>	1,000,000	195,176	78%	-	-	-
Executive Directors						
Mr H Halliday	2,250,000	406,008	47%	-	-	-
Mr A Radonjic	1,750,000	315,784	48%	-	-	-
Group Executives						
Dr S Owen	500,000	90,224	32%	-	-	-
Mr G Beros <sup>B</sup>	-	-	-	-	-	-
Mr B Dunnachie	250,000	45,112	36%	-	-	-
<b>30 June 2010</b>						
Non-Executive Directors						
Mr M Ashton	750,000	43,772	37%	-	-	(1,000,000)
Mr B McFadzean	750,000	43,772	46%	-	-	-
Mr J Jetter <sup>A</sup>	-	-	-	-	-	-
Executive Directors						
Mr H Halliday	3,500,000	198,434	32%	-	(100,000)	(1,250,000)
Mr A Radonjic	1,500,000	87,544	24%	-	-	(500,000)
Group Executives						
Dr S Owen	1,000,000	58,363	19%	-	-	(500,000)
Mr G Beros <sup>B</sup>	-	-	-	-	-	-
Mr B Dunnachie	-	10,213	100%	-	-	-

A: Mr J Jetter was appointed Non-Executive Director on 8 June 2010

B: Mr G Beros was appointed on the 2 of May 2011

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

(c) Options issued as part of remuneration for the year ended 30 June 2011 (continued)

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

Director	Expiry Date	Exercise Price	Number of Options
<b>30 June 2011</b>			
Mr M Ashton	20 Mar 13	70.0 cents	750,000
Mr H Halliday	20 Mar 13	70.0 cents	2,250,000
Mr A Radonjic	20 Mar 13	70.0 cents	1,750,000
Mr B McFadzean	20 Mar 13	70.0 cents	750,000
Mr J Jetter	20 Mar 13	70.0 cents	500,000
	20 Mar 13	55.0 cents	500,000
Dr S Owen	20 Mar 13	70.0 cents	500,000
Mr B Dunnachie	20 Mar 13	70.0 cents	250,000
<b>30 June 2010</b>			
Mr M Ashton	20 Feb 12	30.0 cents	750,000
Mr H Halliday	20 Feb 12	30.0 cents	3,500,000
Mr A Radonjic	20 Feb 12	30.0 cents	1,500,000
Mr B McFadzean	20 Feb 12	30.0 cents	750,000
Mr B Dunnachie	20 Feb 12	30.0 cents	175,000

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
<b>30 June 2011</b>							
17 Nov 10	20 Mar 13	70.0 cents	\$0.058	\$0.18	77%	5.07%	0.00%
<b>30 June 2010</b>							
20 Aug 09	20 Feb 12	30.0 cents	\$0.058	\$0.20	77%	4.80%	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.

**F. Service Agreements**

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

**Mr M Ashton, Non-Executive Chairman**

Term of agreement – unspecified

Base remuneration of \$75,000.

Eligible to participate in the Company's Employee Incentive Scheme, subject to relevant shareholder approval.

No termination benefits under any circumstances.

**Mr J Jetter & Mr B McFadzean, Non-Executive Directors**

Term of agreement – unspecified

Base remuneration of \$50,000

Eligible to participate in the Company's Employee Incentive Scheme, subject to relevant shareholder approval.

No termination benefits under any circumstances.

**Mr H Halliday: Managing Director**

Term of agreement – unspecified.

Base remuneration of \$325,000.

Eligible to participate in the Company's Employee Incentive Scheme, subject to relevant shareholder approval.

No termination benefits other than in accordance with statutory requirements.

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

**F. Service Agreements**

**Mr A Radonjic: Technical Director**

Term of agreement – unspecified.

Base remuneration of \$265,000.

Eligible to participate in the Company's Employee Incentive Scheme, subject to relevant shareholder approval.

Termination benefits – 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 written notice period.

**Dr S Owen: Exploration Manager**

Term of agreement – unspecified.

Base remuneration of \$160,000.

Eligible to participate in the Company's Employee Incentive Scheme, subject to relevant shareholder approval.

No termination benefits other than providing one months notice period.

**Mr G Beros: General Manager – Metallurgy**

Term of agreement – unspecified.

Base remuneration of \$300,000.

Eligible to participate in the Company's Employee Incentive Scheme, subject to relevant shareholder approval.

No termination benefits other than providing one months notice period.

**Mr B Dunnachie: Company Secretary**

Term of agreement – unspecified.

Base remuneration of \$69,000.

Eligible to participate in the Company's Employee Incentive Scheme, subject to relevant shareholder approval.

No termination benefits other than providing three months notice period.

**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
20 Aug 09	20 Feb 12	30.0 cents	11,375,000
17 Nov 10	20 Mar 13	55.0 cents	500,000
17 Nov 10	20 Mar 13	70.0 cents	10,300,000
23 June 11	20 Mar 13	70.0 cents	250,000

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

**Shares issued on the exercise of options**

The following ordinary shares of Venture Minerals Limited were issued during the year ended 30 June 2011 on the exercise of options granted. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

Date options granted	Issue Price of Shares	Number of shares issued
20 Aug 09	30.0 cents	150,000

**14. Insurance of Officers**

During the financial year, Venture Minerals Limited paid a premium of \$21,354 (2010: \$9,640) 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
Mr M Ashton	8	6
Mr H Halliday	8	8
Mr A Radonjic	8	8
Mr B McFadzean	8	7
Mr J Jetter	8	7

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 2011 has been received and can be found on page 20 of the directors' report. No fees were paid or payable to the auditors for non-assurance services performed during the year ended 30 June 2011 (2010: nil).

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



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

Perth, Western Australia, 28 September 2011

The information in this report that relates to Exploration Results, Exploration Targets, Mineral Resources or 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

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Stantons International Audit and Consulting Pty Ltd  
(ABN 84 144 581 519) trading as

# Stantons International

Chartered Accountants and Consultants

28 September 2011

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

Dear Sirs

**RE: VENTURE MINERALS LIMITED**

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

As Audit Director for the audit of the financial statements of Venture Minerals Limited for the year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

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



**Martin Michalik**  
Director

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

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

Venture Minerals Limited  
Freemasons Building  
181 Roberts Road  
Subiaco WA 6008

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities on pages 5 to 9 in the directors' report, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 28 September 2011. 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 2011**

	Note	Consolidated	
		2011 \$	2010 \$
Revenue from continuing operations	3	1,070,673	305,974
Administrative costs	4	(920,078)	(569,386)
Consultancy expenses		(501,919)	(268,486)
Employee benefits expense		(1,126,195)	(879,646)
Share based payment expenses	16	(2,012,329)	(684,323)
Occupancy expenses		(219,802)	(140,089)
Compliance and regulatory expenses		(88,782)	(69,297)
Insurance expenses		(38,237)	(30,358)
Depreciation expense	4	(49,729)	(19,846)
Exploration written off	11	(677,035)	(274,849)
<b>Loss before income tax</b>		<b>(4,563,433)</b>	<b>(2,630,306)</b>
Income tax (expense)/benefit	7	431,777	331,407
<b>Loss attributable to owners</b>		<b>(4,131,656)</b>	<b>(2,298,899)</b>
Other comprehensive income		-	-
<b>Total comprehensive income attributable to owners</b>		<b>(4,131,656)</b>	<b>(2,298,899)</b>
Basic loss per share (cents per share)	18	(2.0)	(1.6)
Diluted loss per share (cents per share)	18	N/A	N/A

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

## As at 30 June 2011

	Note	Consolidated	
		2011	2010
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	8	19,778,308	9,884,326
Trade and other receivables	9	599,959	557,026
<b>Total Current Assets</b>		<b>20,378,267</b>	<b>10,441,352</b>
<b>Non-Current Assets</b>			
Trade and other receivables	9	170,876	128,800
Property, plant and equipment	10	388,468	263,764
Exploration and evaluation expenditure	11	24,472,811	13,561,756
<b>Total Non-Current Assets</b>		<b>25,032,155</b>	<b>13,954,320</b>
<b>Total Assets</b>		<b>45,410,422</b>	<b>24,395,672</b>
<b>Current Liabilities</b>			
Trade and other payables	12	1,363,781	589,726
Provisions	13	158,030	109,986
<b>Total Current Liabilities</b>		<b>1,521,811</b>	<b>699,712</b>
<b>Total Liabilities</b>		<b>1,521,811</b>	<b>699,712</b>
<b>Net Assets</b>		<b>43,888,611</b>	<b>23,695,960</b>
<b>Equity</b>			
Contributed equity	14	52,366,258	30,045,526
Option reserve	16	4,378,457	2,374,882
Accumulated losses		(12,856,104)	(8,724,448)
<b>Total Equity</b>		<b>43,888,611</b>	<b>23,695,960</b>

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

**For the Year Ended 30 June 2011**

Consolidated	Contributed Equity \$	Accumulated Losses \$	Option Reserve \$	Total \$
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>
Balance at 1 July 2010	30,045,526	(8,724,448)	2,374,882	23,695,960
Total comprehensive income for the year	-	(4,131,656)	-	(4,131,656)
Transactions with owners in their capacity as owners:				
Contributions of equity (net of transaction costs)	22,311,978	-	-	22,311,978
Equity settled share based payment transactions	8,754	-	2,003,575	2,012,329
<b>Balance at 30 June 2011</b>	<b>52,366,258</b>	<b>(12,856,104)</b>	<b>4,378,457</b>	<b>43,888,611</b>

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

## For the Year Ended 30 June 2011

	Note	Consolidated	
		2011	2010
		\$	\$
<b>Cash Flows from Operating Activities</b>			
Payments to suppliers and employees		(3,021,331)	(1,839,768)
Interest received		991,768	305,974
Payments for exploration and evaluation		(10,882,874)	(5,288,933)
Income tax received		763,184	244,574
<b>Net cash (outflow) from operating activities</b>	19	<b>(12,149,253)</b>	<b>(6,578,153)</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant and equipment		(233,743)	(157,863)
<b>Net cash (outflow) from investing activities</b>		<b>(233,743)</b>	<b>(157,863)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from issue of shares and other equity securities		23,268,313	14,524,000
Share issue transaction costs		(991,335)	(543,551)
<b>Net cash inflow from financing activities</b>		<b>22,276,978</b>	<b>13,980,449</b>
<b>Net increase in cash and cash equivalents</b>		<b>9,893,982</b>	<b>7,244,433</b>
Cash and cash equivalents at the start of the year		9,884,326	2,639,893
<b>Cash and cash equivalents at the end of the year</b>	8	<b>19,778,308</b>	<b>9,884,326</b>

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

## 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements cover Venture Minerals as a consolidated entity consisting of Venture Minerals Limited and 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) 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 2011 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.

### (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 2011 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) Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective 1 January 2011)

The revised AASB 124 is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The aim of the amendment is to clarify and simplify the definition of a related party. The group will apply the amended standard from 1 July 2011. When the amendments are applied, the group will need to disclose any transactions between its subsidiaries and its associates. However, there will be no impact on any of the amounts recognised in the financial statements.

## 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	
		2011	2010
		\$	\$
<b>3.</b>	<b>Revenue</b>		
(a)	From continuing operations		
	Interest received	1,070,673	305,974
	Total revenue from continuing operations	1,070,673	305,974
<b>4.</b>	<b>Loss for the Year</b>		
(a)	Depreciation of non-current assets		
	Plant and equipment - office	44,680	10,036
	Plant and equipment - field	5,049	9,810
	Total depreciation of non-current assets	49,729	19,846
(b)	Finance costs		
	Interest and finance charges paid or payable	8,918	7,743
	Total finance charges paid or payable	8,918	7,743
(c)	Foreign exchange loss		
	Net foreign exchange loss	4,394	55
	Total foreign exchange loss	4,394	55
<b>5.</b>	<b>Auditor's Remuneration</b>		
(a)	Remuneration of the auditor of the group		
	Auditing or reviewing the financial statements	29,000	22,500
	Total auditor remuneration	29,000	22,500
<b>6.</b>	<b>Key Management Personnel Compensation</b>		
(a)	Summary Key Management Personnel Compensation		
	Short-term employee benefits	1,235,266	991,794
	Post-employment benefits	89,851	95,266
	Long-term benefits	-	-
	Share-based payments	1,322,976	442,098
	Total key management personnel compensation	2,648,093	1,529,158
	Detailed remuneration disclosures are provided within the audited remuneration report which can be found on pages 12 to 18 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 12 to 18 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:

2011	Balance at start of the year	Granted as remuneration	Exercised	Other changes	Balance at end of the year	Vested and exercisable
Directors of Venture Minerals Limited						
Mr M Ashton	1,500,000	750,000	-	-	2,250,000	2,250,000
Mr H Halliday	5,400,000	2,250,000	-	-	7,650,000	7,650,000
Mr A Radonjic	3,500,000	1,750,000	-	-	5,250,000	5,250,000
Mr B McFadzean	1,450,000	750,000	-	-	2,200,000	2,200,000
Mr J Jetter	-	1,000,000	-	-	1,000,000	1,000,000
Group Executives						
Mr S Owen	2,000,000	500,000	-	-	2,500,000	2,500,000
Mr G Beros <sup>A</sup>	-	-	-	-	-	-
Mr B Dunnachie	425,000	250,000	-	-	675,000	675,000

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						
Mr M Ashton	1,750,000	750,000	-	(1,000,000)	1,500,000	1,500,000
Mr H Halliday	3,250,000	3,500,000	-	(1,350,000)	5,400,000	5,400,000
Mr A Radonjic	2,500,000	1,500,000	-	(500,000)	3,500,000	3,500,000
Mr B McFadzean	700,000	750,000	-	-	1,450,000	1,450,000
Mr J Jetter <sup>B</sup>	-	-	-	-	-	-
Group Executives						
Mr S Owen	1,500,000	1,000,000	-	(500,000)	2,000,000	2,000,000
Mr G Beros <sup>A</sup>	-	-	-	-	-	-
Mr B Dunnachie	250,000	175,000	-	-	425,000	425,000

A: Mr G Beros was appointed on 2 May 2011

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

**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.

2011	Balance at the start of the year	Received on exercise of options	Other changes	Balance at the end of the year
Directors of Venture Minerals Limited				
Mr M Ashton	1,566,667	-	(66,667)	1,500,000
Mr H Halliday	6,125,000	-	300,000	6,425,000
Mr A Radonjic	2,666,665	-	-	2,666,665
Mr B McFadzean	-	-	-	-
Mr J Jetter	1,799,000	-	460,000	2,259,000
Group Executives				
Mr S Owen	1,200,000	-	-	1,200,000
Mr G Beros <sup>A</sup>	-	-	-	-
Mr B Dunnachie	25,000	-	(25,000)	-

2010	Balance at the start of the year	Received on exercise of options	Other changes	Balance at the end of the year
Directors of Venture Minerals Limited				
Mr M Ashton	1,566,667	-	-	1,566,667
Mr H Halliday	6,125,000	-	-	6,125,000
Mr A Radonjic	2,666,665	-	-	2,666,665
Mr B McFadzean	-	-	-	-
Mr J Jetter <sup>B</sup>	-	-	1,799,000	1,799,000
Group Executives				
Mr S Owen	1,200,000	-	-	1,200,000
Mr G Beros <sup>A</sup>	-	-	-	-
Mr B Dunnachie	11,000	-	14,000	25,000

A: Mr G Beros was appointed on 2 May 2011

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

		Consolidated	
		2011	2010
		\$	\$
<b>7.</b>	<b>Income Tax Expense</b>		
(a)	Income tax expense		
	Current tax	431,777	331,407
	Deferred tax	-	-
	Total income tax (expense)/benefit	431,777	331,407
	Deferred income tax expense included in income tax expense comprises:		
	(Increase) in deferred tax assets (note 7(c))	(3,303,310)	(1,495,891)
	Increase in deferred tax liabilities (note 7(d))	3,303,310	1,495,891
		-	-
(b)	Numerical reconciliation of income tax expense to prima facie tax payable		
	Profit from continuing operations before income tax expense	(4,563,433)	(2,630,306)
	Tax (tax benefit) at the tax rate of 30% (2010: 30%)	1,369,030	789,092
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	Share based payments	(603,699)	(205,297)
	Other non-deductible amounts	(19,672)	(9,377)
		745,659	574,418
	Unrecognised tax losses	(400,238)	(309,292)
	Income tax benefit <sup>A</sup>	431,777	331,407
(c)	Deferred tax assets		
	Tax losses <sup>B</sup>	7,306,265	4,024,330
	Employee benefits	62,788	41,863
	Other accruals	4,950	4,500
	Total deferred tax assets	7,374,003	4,070,693
	Set-off deferred tax liabilities (note 7(d))	(7,374,003)	(4,070,693)
	Net deferred tax assets	-	-
(d)	Deferred tax liabilities		
	Exploration expenditure	7,341,843	4,068,527
	Other	32,160	2,166
	Total deferred tax liabilities	7,374,003	4,070,693
	Set-off deferred tax assets (note 7(c))	(7,374,003)	(4,070,693)
	Net deferred tax liabilities	-	-
(e)	Tax losses		
	Unused tax losses for which no DTA has been recognized	6,753,120	4,840,631
	Potential tax benefit at 30%	2,025,936	1,452,189
(f)	Unrecognised temporary differences		
	Unrecognised deferred tax asset relating to capital raising costs	1,544,441	963,921

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	
		2011	2010
		\$	\$
<b>8.</b>	<b>Cash &amp; Cash Equivalents</b>		
(a)	Cash & cash equivalents		
	Cash at bank and in hand	1,778,308	2,884,326
	Deposits at call	18,000,000	7,000,000
	Total cash and cash equivalents	19,778,308	9,884,326
(b)	Cash at bank and on hand		
	Cash on hand is non-interest bearing. Cash at bank bears interest rates between 0.00% and 5.79% (2010: 0.00% and 4.50%).		
(c)	Deposits at call		
	Deposits at call are bearing interest rates between 5.40% and 6.02% (2010: 5.33).		
<b>9.</b>	<b>Trade &amp; Other Receivables</b>		
(a)	Current		
	Other receivables	509,791	508,134
	Prepayments	90,168	48,892
	Total current trade and other receivables	599,959	557,026
(b)	Non-Current		
	Deposits	170,876	128,800
	Total non-current trade and other receivables	170,876	128,800
(c)	Past due and impaired receivables		
	As at 30 June 2011, there were no other receivables that were past due or impaired (2010: 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	Land	Total
	\$	\$	\$	\$	\$	\$	\$
<b>10. Property, Plant &amp; Equipment</b>							
(a) 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	<u>38,046</u>	<u>39,310</u>	<u>12,624</u>	<u>130,752</u>	<u>43,032</u>	-	<u>263,764</u>
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	<u>38,046</u>	<u>39,310</u>	<u>12,624</u>	<u>130,752</u>	<u>43,032</u>	-	<u>263,764</u>
(b) Year ended 30 June 2011							
Opening net book amount	38,046	39,310	12,624	130,752	43,032	-	263,764
Additions	25,204	6,598	-	-	28,636	129,839	190,277
Disposals/write-offs	-	-	-	-	-	-	-
Depreciation charge	(19,226)	(9,111)	(5,049)	(16,344)	(15,843)	-	(65,573)
Closing net book amount	<u>44,024</u>	<u>36,797</u>	<u>7,575</u>	<u>114,408</u>	<u>55,825</u>	<u>129,839</u>	<u>388,468</u>
At 30 June 2011							
Cost or fair value	85,944	46,988	46,301	132,146	109,533	129,839	550,751
Accumulated depreciation	(41,920)	(10,191)	(38,726)	(17,738)	(53,708)	-	(162,283)
Net book amount	<u>44,024</u>	<u>36,797</u>	<u>7,575</u>	<u>114,408</u>	<u>55,825</u>	<u>129,839</u>	<u>388,468</u>

	Consolidated	
	2011	2010
	\$	\$
<b>11. Exploration &amp; Evaluation Expenditure</b>		
(a) Non-current		
Opening balance	13,561,756	8,577,784
Exploration and acquisition costs	11,588,090	5,258,821
Write offs/provisions	(677,035)	(274,849)
Total non-current exploration and evaluation expenditure	<u>24,472,811</u>	<u>13,561,756</u>
(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	
		2011	2010
		\$	\$
<b>12.</b>	<b>Trade &amp; Other Payables</b>		
(a)	Current		
	Trade Payables	1,201,936	520,141
	Other Payables	161,845	69,585
	Total current trade & other	<u>1,363,781</u>	<u>589,726</u>
<b>13.</b>	<b>Provisions</b>		
(a)	Current		
	Employee entitlements	158,030	109,986
	Total current provisions	<u>158,030</u>	<u>109,986</u>

		Consolidated		Consolidated	
		2011	2010	2011	2010
		Shares	Shares	\$	\$
<b>14.</b>	<b>Contributed Equity</b>				
(a)	Issued capital				
	Ordinary shares - fully paid	221,093,592	168,046,667	52,366,258	30,045,526
	Total issued capital	<u>221,093,592</u>	<u>168,046,667</u>	<u>52,366,258</u>	<u>30,045,526</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 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
Opening Balance 1 July 2010		168,046,667		30,045,526
Share issue	16 July 10	116,667	0.30	35,000
Share issue	13 Oct 10	24,500,000	0.44	10,780,000
Share issue	22 Nov 10	16,869,998	0.44	7,422,799
Share issue	23 Nov 10	11,410,260	0.44	5,020,514
Exercise of options	06 Jun 11	150,000	0.30	45,000
Option premium				8,754
Less: Transaction costs				(991,335)
Closing Balance at 30 June 2011		221,093,592		52,366,258

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>						
(a) 2011 unlisted share option details						
31 Aug 11	50.0 cents	9,580,000	-	-	-	9,580,000
20 Feb 12	30.0 cents	11,525,000	-	(150,000)	-	11,375,000
20 Mar 13	55.0 cents	-	500,000	-	-	500,000
20 Mar 13	70.0 cents	-	10,750,000	-	(200,000)	10,550,000
		21,105,000	11,250,000	(150,000)	(200,000)	32,005,000
(b) 2010 unlisted share option details						
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
		24,995,000	11,725,000	(6,805,000)	(8,810,000)	21,105,000

		Consolidated	
		2011	2010
		\$	\$
<b>16. Reserves</b>			
(a) Unlisted option reserve			
Opening balance		2,374,882	2,079,423
Exercise of options		(8,754)	(388,868)
Unlisted options issued as remuneration during the year		2,012,329	684,327
Total unlisted option reserve		4,378,457	2,374,882
<p>The unlisted option reserve records items recognised on valuation of director, employee and contractor share options. Information relating to the Venture Minerals Limited Employee Incentive Scheme "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.</p>			

### 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	2011 total
	%	\$	\$	\$	\$
<b>2011</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	5.79	1,417,393	18,000,000	360,915	19,778,308
Trade & other receivables - current	0.00	-	-	509,791	509,791
Trade & other receivables - non-current	5.80	-	170,876	-	170,876
		1,417,393	18,170,876	870,706	20,458,975
<b>Financial Liabilities</b>					
Trade & other payables - current	0.00	-	-	1,363,781	1,363,781
		-	-	1,363,781	1,363,781
<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
		2,875,054	7,128,800	517,406	10,521,260
<b>Financial Liabilities</b>					
Trade & other payables - current	0.00	-	-	589,726	589,726
		-	-	589,726	589,726

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 2011 and 30 June 2010, the group's exposure to interest rate risk is not considered material.

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

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

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

**(c) Liquidity risk**

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

**(d) Net fair value**

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

Consolidated	2011		2010	
	Carrying Amount \$	Net fair Value \$	Carrying Amount \$	Net fair Value \$
<b>Financial assets</b>				
Cash and cash equivalents	19,778,308	19,778,308	9,884,326	9,884,326
Trade & other receivables - current	509,791	509,791	508,134	508,134
Trade & other receivables - non-current	170,876	170,876	128,800	128,800
	<u>20,458,975</u>	<u>20,458,975</u>	<u>10,521,260</u>	<u>10,521,260</u>
<b>Financial Liabilities</b>				
Trade and other payables - current	1,363,781	1,363,781	589,726	589,726
	<u>1,363,781</u>	<u>1,363,781</u>	<u>589,726</u>	<u>589,726</u>

	Consolidated	
	2011 \$	2010 \$
<b>18. Earnings per Share</b>		
<b>(a) Earnings/(Loss)</b>		
Earnings/(loss) used in the calculation of basic EPS	(4,131,656)	(2,298,899)
<b>(b) Weighted average number of ordinary shares ('WANOS')</b>		
WANOS used in the calculation of basic earnings per share:	202,751,999	146,861,674
<b>19. Cash Flow Information</b>		
<b>(a) Reconciliation of cash flows from operating activities with loss from ordinary activities after income tax:</b>		
Profit/(loss) from ordinary activities after income tax	(4,131,656)	(2,298,899)
Depreciation	49,729	19,846
Share based payments	2,047,329	684,323
Changes in assets and liabilities:		
- (Increase) in operating receivables & prepayments	(85,009)	(216,325)
- (Increase) in capitalised exploration	(10,895,212)	(4,975,654)
- Increase in trade and other payables	865,566	208,556
Net cash (outflows) from Operating Activities	<u>(12,149,253)</u>	<u>(6,578,153)</u>

		Consolidated	
		2011	2010
		\$	\$
<b>20. Commitments</b>			
(a) Exploration commitments			
Not longer than one year		2,711,541	663,804
Longer than one year, but not longer than five years		3,409,825	700,872
Longer than five years		-	-
		<u>6,121,366</u>	<u>1,364,676</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

On 29 July 2011, the Company announced the maiden DSO (direct shipping ore) resource of 2.2 million tonnes of iron ore at the newly defined Livingstone Deposit situated near the Stanley River area. A scoping study delivered positive results of upwards of \$90 million in net revenue from the sale of DSO, with less than \$3 million up front capital costs.

On 5 September 2011, the Company signed a MOU (memorandum of understanding) with Grange Resources Limited (Grange). Grange wholly own and operate the Savage River mine situated 25 kms from Venture's Mt Lindsay Project exporting approximately 2.0 million tonnes per annum of iron ore pellets. Under the MOU, the joint development with Grange would provide synergistic benefits to both parties and allow Venture access to Grange's long established infrastructure and the opportunity to explore a range of development options with Grange, for the proposed magnetite production from the Mt Lindsay Project.

On 16 September 2011, the Company announced its submission of a Mining Lease Application (MLA) over the Company's flagship Mt Lindsay Tin/Tungsten Project in northwest Tasmania. The MLA was submitted to the Registrar of Mines, Minerals Resources Tasmania on 15 September 2011.

There are no further material events subsequent to balance date.

### 22. Segment Information

#### (a) Description of segments

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

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

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

	Exploration Australia \$	Corporate \$	Total \$
2011			
Total segment revenue	-	1,070,673	1,070,673
Interest revenue	-	1,070,673	1,070,673
Depreciation and amortisation expense	5,049	44,680	49,729
Total segment loss before income tax	(682,084)	(3,881,349)	(4,563,433)
Total segment assets	24,472,811	20,937,611	45,410,422
Total segment liabilities	-	1,521,811	1,521,811

**22. Segment Information (continued)**

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

	Exploration Australia \$	Corporate \$	Total \$
2010			
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 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

(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 1,070,673 (2010: \$305,974) 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 director related parties:

	Consolidated	
	2011 \$	2010 \$
Recharges to director related entities (excluding GST):		
Recharge of costs to Avonlea Minerals Limited	91,079	12,540
Recharge of costs to Gryphon Minerals Limited	2,853	8,931
Recharge of costs to Mentoring Services for Business Pty Ltd	-	273
Recharge of costs to Black Peak Pty Ltd	-	672
Recharges of costs to Renaissance Minerals Limited	10,967	-
Purchases from director related entities (excluding GST):		
Payments for shared services/reimbursable costs to Gryphon Minerals Ltd	233,808	392,586
Payments for shared services/reimbursable costs to Renaissance Minerals Ltd	175	-
Payments for office rent to Allos Property Group Pty Ltd	230,019	55,012

**23. Related Party Information (continued)**

	Consolidated	
	2011	2010
	\$	\$
Outstanding balances arising from recharges/purchases with Director Related Parties:		
Current receivables	78,747	9,504
Current payables	35,544	54,118

**(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 17.9 cents (2010: 5.8 cents). The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

Weighted average exercise price (cents) 69.0 (2010: 30.0)  
 Weighted average life of the option (years) 2.3 (2010: 2.50)  
 Weighted average underlying share price (cents) 0.55 (2010: 0.20)  
 Expected share price volatility 77% (2010: 77%)  
 Weighted average risk free interest rate of 5.06% (2010: 4.80%)

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

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

	Consolidated	
	2011	2010
	\$	\$
Unlisted options		
Options issued to directors, employees and consultants	2,012,329	684,323
Issue Capital		
Consultants Fees: Ordinary Shares issued to consultants	35,000	-

**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>	
			2011 %	2010 %
Venture Uranium Pty Ltd	Australia	Ordinary	100	100
Venture Z Pty Ltd	Australia	Ordinary	100	100
Venture Iron Pty Ltd	Australia	Ordinary	100	100
Venture Tasmania Pty Ltd <sup>B</sup>	Australia	Ordinary	100	-

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

B: The company was incorporated on the 23 March 2011.

## 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

At 30 June 2011, Venture Minerals had met the obligations under (a) and (c) as set out above and held a 70% interest in the Tasmanian Projects.

### (b) Black Peak Holdings

On 28 April 2006 and as revised in the Extension of Terms dated 10 August 2011, Debnal Pty Ltd ('Debnal') entered into a memorandum of understanding (Memorandum) with Black Peak Holdings Pty Ltd ('Black Peak') or nominee (Venture Minerals Limited). The Memorandum was for the purposes of entering into an earn-in Joint Venture for the South Australian Projects (EL3511, EL3529 and EL3580). The 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 \$750,000 on exploration. On 10 August 2011 the terms were extended to allow the expenditure to occur within the same allowed to Mega Hindmarsh Pty Ltd as per the clause referred to in (b) below;
- (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 terms of the Joint Venture agreement were altered on the 10 August 2011 varying the terms of the agreement. The purpose was to farm-out 80% interest in the Uranium rights of the tenements (EL3580 and EL3529) on the following terms and conditions:

- (a) Mega to spend \$300,000 (second expenditure commitment) on exploration within 12 months of the granting of ELA2011/00047 (replacement license of EL3580), Mega will be entitled to 100% of Ventures Tenement interest at the time (which will be a 51% interest in ELA2011/0047). Mega must meet the minimum expenditure requirement of \$100,000 on exploration before Mega is entitled to withdraw,
- (b) If Mega incurs expenditure of \$450,000 within 24 months after meeting the "second expenditure commitment" referred to in clause (a) above, Mega will be entitled to 100% of Ventures tenement interest which will be 75% in so far as it relates to Uranium Joint Venture Targets,
- (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.

In the current and previous years, Venture Minerals withdrew from the Joint Venture in relation to EL3511 and EL3529. However as at 30 June 2011, Venture Minerals had met the obligations under (a) as set out above and held a 51% interest in the EL3580.

		Company	
		2011	2010
		\$	\$
<b>28.</b>	<b>Parent Entity Information</b>		
(a)	Assets		
	Current assets	20,378,267	10,441,352
	Non-current assets	25,032,429	13,954,324
	Total assets	45,410,696	24,395,676
(b)	Liabilities		
	Current liabilities	1,521,811	699,716
	Non current liabilities	-	-
	Total liabilities	1,521,811	699,716
(c)	Equity		
	Contributed equity	52,366,258	30,045,526
	Accumulated losses	(12,855,830)	(8,724,448)
	Reserves	4,378,457	2,374,882
	Total equity	43,888,885	23,695,960
(d)	Total Comprehensive loss for the year		
	Loss for the year after income tax	(4,131,382)	(2,298,899)
	Other comprehensive income for the year	-	-
	Total comprehensive loss for the year	(4,131,382)	(2,298,899)
The parent entity has not guaranteed any loans for any entity during the year.			

## Director's Declaration

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In the directors' opinion:

- (a) the financial statements and notes set out on pages 21 to 45 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 2011 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 12 to 18 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, 28 September 2011

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

### Report on the Financial Report

We have audited the accompanying financial report of Venture Minerals Limited, which comprises the consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

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

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 1(a), 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 2011 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in note 1(a).

**Report on the Remuneration Report**

We have audited the remuneration report included in pages 12 to 18 of the directors' report for the year ended 30 June 2011. 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 2011 complies with section 300A of the *Corporations Act 2001*.

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

*Stantons International Audit & Consulting Pty Ltd*



**Martin Michalik**  
Director

West Perth, Western Australia  
28 September 2011

## Additional Shareholder Information

### Shareholding Distribution

The distribution of members and their holdings of equity securities in the holding company as at 19 September 2011 were as follows:

Number Held as at 19 September 2011	Class of Equity Securities Fully Paid Ordinary Shares
1 - 1,000	187
1,001 - 5,000	1,206
5,001 - 10,000	1,104
10,001 - 100,000	2,038
100,001 and over	280
	<b>4,815</b>

Holders of less than a marketable parcel: 262

### Substantial Shareholders

The names of the substantial shareholders as at 19 September 2011:

Shareholder	Number
Molton Holdings Limited	19,605,684

### 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 19 September 2011 are as follows:

Shareholder	Number	% Held of Issued Ordinary Capital
HSBC Custody Nominees	29,243,471	13.23%
Black Peak Holdings	7,050,000	3.19%
J & J Bandy Nominees	4,550,000	2.06%
JP Morgan Nominees Australia	4,390,916	1.99%
Citicorp Nominees	3,655,065	1.65%
JP Morgan Nominees Australia	3,276,846	1.48%
Keith Jenkins and Neville Houghton	3,100,000	1.40%
Onedin Enterprises	2,666,665	1.21%
McTavish Industries	2,000,000	0.90%
Escor Investments Pty Ltd	2,000,000	0.90%
Seivad Investments	1,768,863	0.80%
Merrill Lynch Australia Nominees	1,741,167	0.79%
Symorgh Investments	1,725,000	0.78%
National Nominees	1,568,545	0.71%
Academic Growth Institute Fund	1,406,819	0.64%
Kingsford Investments	1,333,333	0.60%
Max Capital	1,309,095	0.59%
Berpaid Pty Ltd	1,300,000	0.59%
HSBC Custody Nominees	1,102,178	0.50%
William Robert Wallace	1,100,000	0.50%
	<b>76,287,963</b>	<b>34.51%</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.

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	2.1.2
Recommendation 4.3 Audit Committee Charter	2.1
Recommendation 4.4 Reporting on Principle 4	2.1 and 2.1.2
Recommendation 5.1 Policy for Compliance with Continuous Disclosure	1.4.4
Recommendation 5.2 Reporting on Principle 5	1.4.4
Recommendation 6.1 Communications Strategy	1.4.8
Recommendation 6.2 Reporting on Principle 6	1.4.8
Recommendation 7.1 Policies on Risk Oversight and Management	2.1.3
Recommendation 7.2 Managing and Implementing Risk Management	2.1.3
Recommendation 7.3 Attestations by CEO and CFO	2.1.3
Recommendation 7.4 Reporting on Principle 7	2.1.3
Recommendation 8.1 Establishment of Remuneration Committee	2.2
Recommendation 8.2 Executive and Non-Executive Director Remuneration	2.2.3.1 and 2.2.3.2
Recommendation 8.3 Reporting on Principle 8	1.2, 2.2.1 and 2.2.3.2

## 1.1 Role of the Board

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

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

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

## 1.2 Composition of the Board

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

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

An Independent Director is a Non-Executive Director and:

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

Material is defined as being where the relationship accounts for more than two 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 and was recently updated in December 2010. A copy of the policy is available for inspection on the Company's website.

### 1.4.10 Performance Review/Evaluation

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

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

## 2. Board Committees

### 2.1 Audit 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 2011. A copy of the company's risk management statement is available from the corporate governance section of the company's website.

On 28 September 2011 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 Managing Director, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both Executive and Non-Executive Directors and making recommendations on any proposed changes and undertaking reviews of the Managing Director performance, including, setting with the Managing Director goals and reviewing progress in achieving those goals.

### 2.2.3 Remuneration Policy

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

#### 2.2.3.1 Senior Executive Remuneration Policy

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

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

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

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

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

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

#### 2.2.3.2 Non-Executive Director Remuneration Policy

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

#### 2.2.4 Current Director Remuneration

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

## 2.3 Nomination Committee

### 2.3.1 Role

The role of a Nomination Committee is to help achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills 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 19 September 2011

Project	Tenement	Interest	Status
Maitland Channel	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%	Granted
	E08/1748	100%	Granted
	E47/1765	100%	Granted
Harris Bluff	EL3580	51%	Granted
Mount Lindsay	EL21/2005	100%	Granted
	EL33/2007	100%	Granted
	EL24/2008	100%	Granted
	EL31/2003	70%	Granted
	EL36/2003	70%	Granted
	EL45/2010	100%	Granted

### Notes

E: Exploration Licence

EL: Exploration Licence

PL: Prospecting Licence