Ventnor Resources Limited

ACN 142 014 873

CORPORATE GOVERNANCE STATEMENT

DATED: 30 SEPTEMBER 2015

ADOPTED: 30 SEPTEMBER 2015

IN RESPECT OF THE FINANCIAL YEAR ENDED 30 JUNE 2015

EFFECTIVE UP TO THIS DATE

Disclosure of Corporate Governance Practices

The Company reports below on how it has followed (or otherwise departed from) each of the ASX Principles and Recommendations (ASX P&R) during the financial reporting period (the Reporting Period) year ended 30 June 2015.

Summary Statement:

	Compliance with ASX P&R Yes/ No		Compliance with ASX P&R Yes/ No
Recommendation 1.1	Yes	Recommendation 4.1	No
Recommendation 1.2	Yes	Recommendation 4.2	Yes
Recommendation 1.3	Yes	Recommendation 4.3	Yes
Recommendation 1.4	Yes		
Recommendation 1.5	No	Recommendation 5.1	Yes
Recommendation 1.6	Yes		
Recommendation 1.7	Yes	Recommendation 6.1	Yes
		Recommendation 6.2	Yes
Recommendation 2.1	No	Recommendation 6.3	Yes
Recommendation 2.2	Yes	Recommendation 6.4	Yes
Recommendation 2.3	Yes		
Recommendation 2.4	Yes	Recommendation 7.1	No
Recommendation 2.5	Yes	Recommendation 7.2	No
Recommendation 2.6	Yes	Recommendation 7.3	No
		Recommendation 7.4	Yes
Recommendation 3.1	Yes		
		Recommendation 8.1	No
		Recommendation 8.2	Yes

Website Disclosures

Further information about the Company's charters, policies and procedures may be found at its website at http://www.ventnorresources.com.au, under the tab marked "*Downloads*".

Principle, Recommendation and Disclosure in relation thereto

Principle 1. Lay solid foundations for management and oversight

A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.

Recommendation 1.1

A listed entity should disclose:

(a) the respective roles and responsibilities of its board and management; and

(b) those matters expressly reserved to the board and those delegated to management.

Disclosure:

The Company has established the functions reserved to the Board and has set out these functions in its Board Charter. The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

The Company has established the functions delegated to senior executives and has set out these functions in it Board Charter. Senior executives are responsible for supporting the Managing Director and assisting the Managing Director in implementing the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Managing Director or, if the matter concerns the Managing Director, then directly to the Chair or the lead independent Director, as appropriate.

Recommendation 1.2

A listed entity should:

(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and

(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Disclosure:

The Board undertakes a review of the potential candidate and their appropriate skills through a reference of previous positions and industry contacts.

Full details of each person are announced in the initial appointment announcement and also in the Annual Report. Where a director is seeking election, shareholders are given full details.

Recommendation 1.3

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

Disclosure:

Upon joining the Company, each director and senior executive enters into an agreement with the Company which sets out the key terms of their employment and their responsibilities including the need to adhere to all Company policies and disclosure requirements.

Recommendation 1.4

The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

Disclosure:

The Company Secretary advises the Board directly on all matters regarding the function of the Board, in consultation with any legal advice if so required. The Company Secretary is responsible for co-ordinating all board matters, committee meetings and advice.

Recommendation 1.5

A listed entity should:

(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;

(b) disclose that policy or a summary of it; and

(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:

i. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or
ii. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

Disclosure:

The Company does not qualify under the Act. The Company has a policy of appointing the most suitably qualified person to each position in the Company. Where there is a vacancy, the most suitable party will be employed.

The Company has established a Diversity Policy but because of its size and limited resources, positions are selected on the best available candidate.

At the date of this report, all senior executive positions, being persons who can influence the direction of the Company are filled by males.

The Company will review the need to implement the policy as it develops.

Recommendation 1.6

A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of the board, its committee and individual directors; and

(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Disclosure:

The Chair is responsible for evaluating the Board and the various committee members. The Chair holds informal discussions with the Board on an ongoing basis, as required. Given the size of the Company and only being a three person board, the position of Chair is usually filled by one of the directors.

Recommendation 1.7

A listed entity should:

(a) have and disclose a process for periodically evaluating of its senior executives; and

(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Disclosure:

The Managing Director is responsible for evaluating the senior executives and does this by holding informal discussions with each executive on an ongoing basis as required.

Principle 2. Structure the board to add value

A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.

Recommendation 2.1

The board of a listed entity should:

(a) have nomination committee which:
   i. has at least three (3) members, a majority of whom are independent directors;
   ii. is chaired by an independent director;
   iii. disclose the charter of the committee;
   iv. disclose the members of the committee; and
   v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meeting; or

(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

Disclosure:

Because of its size and limited resources, the Company does not have a separately constituted Nomination Committee. The full Board undertakes the duties which would normally fall to such a Committee.

The Company will review the need to form this committee as it develops.

Recommendation 2.2

A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

Disclosure:

The skills of each director are outlined in the Annual Report and includes their individual qualifications and experience.

Recommendation 2.3

A listed entity should disclose:

(a) the names of the directors considered by the board to be independent directors; and

(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and

(c) the length of service of each director

Name	Position	Independent
Mr Paul Boyatzis	Non-Executive Chairman	Yes
Mr Bruce Maluish	Executive Managing Director	No
Mr Peter Pawlowitsch	Non-Executive Director	Yes

An independent director is defined as a non-executive director and;

Is not a substantial shareholder of the Company or an officer of or directly or indirectly associated with a substantial shareholder of the Company;

Within the last three years has not been employed in an executive capacity by the Company, or been a director after ceasing to hold any such employment;

Within the past three years has not been a principal of a material professional advisor or a material consultant to the Company or an employee associated with such a material service provider or advisor; and

Does not have a material contractual relationship with the Company other than as a director of the Company.

Disclosure:

The Board comprises three Directors. Mr Boyatzis acts as the Chair and is considered an independent director. Mr Pawlowitsch is a non-executive director and is considered an independent director. Mr Maluish is an executive Managing Director and is not considered to be fully independent. The Board considers that given the size of the Company, it is better to have directors with the appropriate skill sets as key board members.

The profile of each Director detailing their skills, experience, expertise and term of office is set out in the Directors' Report as included in the Annual Report.

Identification of Independent Directors

Independence is measured having regard to the relationships listed in Box 2.1 of the Principles and Recommendations and the Company's materiality thresholds.

Materiality Thresholds

The Board has agreed on the guidelines for assessing the materiality of matters. These are set out in the Company's Board Charter as published to the Company's website.

Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

Disclosure:

The Company meets this requirement.

Recommendation 2.5

The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

Disclosure:

The Chair of the Board is considered independent and is not the CEO of the Company.

Recommendation 2.6

A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

Disclosure:

Each director is provided with an induction to the Company's assets and business including all policies and procedures. Each director can request appropriate development opportunities which will be considered by the Board on each occasion.

If a Director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a Director, then, provided the Director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

Principle 3. Act ethically and responsibly

A listed entity should act ethically and responsibly.

Recommendation 3.1

A listed entity should:

(a) have a code of conduct for its directors, senior executives and employees; and

(b) disclose that code or a summary of it.

Disclosure:

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, to take into account their legal obligations, the expectations of their stakeholders, responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Principle 4. Safeguard integrity in corporate reporting

A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.

Recommendation 4.1

A board of a listed entity should:

(a) have an audit committee which:
   i. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors;
   ii. is chaired by an independent director who is not the chair of the board;
   iii. disclose the charter of the committee;
   iv. disclose the relevant qualifications and experience of the members of the committee;
   v. disclose in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit partner.

Disclosure:

Because of its size and limited resources, the Company does not have an Audit Committee.

The full Board undertakes the duties that would otherwise fall to such a committee. The Company is small, has a three man board and a tight management structure. It relies on equity for funding and in all the circumstances, does not perceive that the gains to be derived through the operation of a formal committee structure in the manner contemplated by the Principles and Recommendations can be cost justified.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board was responsible for the initial appointment of the external auditor and continues to be responsible for the appointment of a new external auditor when the vacancy arises. Candidates for the position must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances.

The Company will review the need to form this committee as it develops.

Recommendation 4.2

The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Disclosure:

The Managing Director and Chief Financial Officer (or equivalent) have provided a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such a declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risk.

Recommendation 4.3

A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

Disclosure:

The Company formally invites the external auditor to attend the AGM and forwards any questions received for their comment if received before the meeting.

Principle 5. Make timely and balanced disclosure

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Recommendation 5.1

A listed entity should:

(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and

(b) disclose that policy or a summary of it.

Disclosure:

The Company has established a Continuous Disclosure Policy designed to ensure compliance with ASX Listing Rules disclosure and accountability at a senior executive level for that compliance.

This policy may be viewed in its complete detail on the Company's website.

Principle 6. Respect the rights of security holders

A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.

Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

Disclosure:

The Company has established a Shareholder Communication Policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings. This includes all relevant information being disclosed on the Company's website.

Recommendation 6.2

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

Disclosure:

The Company welcomes open communication with shareholders.

Recommendation 6.3

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

Disclosure:

These policies and processes are available for inspection on the Company's website.

Recommendation 6.4

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Disclosure:

The Company has an email contact address where shareholders can request to receive all information electronically and offers the same service through its share registry.

Principle 7. Recognise and manage risk

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

Recommendation 7.1

A board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:
   i. has at least three members, a majority of whom are independent directors;
   ii. is chaired by an independent director;
   iii. disclose the charter of the committee;
   iv. disclose the members of the committee;
   v. disclose as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

Disclosure:

The Company has not established a Risk Management Committee.

The Board has adopted a Risk Management Policy which sets out the Company's risk profile. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

The Company will review the need to form this committee as it develops.

Recommendation 7.2

A board or a committee of the board should:

(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
(b) disclose, in relation to each reporting period, whether such a review has taken place.

Disclosure:

Management has not reported to the Board as to the effectiveness of the Company's management of its material business risks. Whilst the Board recognises the benefit of the discipline of documenting such matters, the Board has deployed its scarce resources to other endeavours in priority to the preparation of a written report on the matter of risk. Given that the Company has a Risk Management Policy in place and the nature, extent and scale of its operations are extremely limited with internal control measures already in place, the Company considers that it is managing its material business risks just as effectively as if a formal independent committee was established for the purpose recommended.

The Company will review the need to require management to design and implement risk management and internal control as it develops.

Recommendation 7.3

A listed entity should:

(a) if it has an internal audit function, how the function is structured and what role it performs; or
(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

Disclosure:

The Company does not have an internal audit function.

As the Company is small, has a three man board and a tight management structure, it considers that all material transactions are transparent to management and there is no perceived benefit in instigating an internal audit function.

Recommendation 7.4

A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

Disclosure:

The Company operates a mineral exploration business and as such has exposure to the risks of the mineral exploration industry including commodity prices, environmental risks etc.

Principle 8. Remunerate fairly and responsibly

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with creation of value for security holders.

Recommendation 8.1

A board of a listed entity should:

(a) have a remuneration committee which:
   i. has at least three members, a majority of whom are independent directors;
   ii. is chaired by an independent director;
   iii. disclose the charter of the committee;
   iv. disclose the members of the committee;
   v. disclose as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

Disclosure:

The Company has not established a Remuneration Committee. The full Board undertakes on an ad-hoc unstructured basis the duties which normally would be performed by such a committee. The Company does however have a formal Remuneration Committee policy but due to its size and limited resources, this policy is not being implemented.

The level and composition of remuneration for directors and senior executives is readily determined by what would normally be paid to incumbents in similar sized companies.

The Company will review the need to form such a committee as it develops.

Recommendation 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Disclosure:

The information required by this recommendation is disclosed in the Company's Annual Report. In summary, both non-executive and executive directors are being remunerated at a fixed fee for their time and board responsibilities. Both non-executive and executive directors are eligible to participate in the Company's incentive plan as it is considered that this is a necessary motivation to attract the highest calibre candidates to the Board at this stage of the Company's operations.

Recommendation 8.3

A listed entity which has an equity-based remuneration scheme should:

(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and

(b) disclose that policy or a summary of it.

Disclosure:

The Company has established Securities Trading Rules concerning dealing in the Company's securities by directors, officers, employees, contractors and which prohibits broker credit beyond T+3, margin lending or leveraged equity providers (by whatever name and under whatever guise) without the fully informed consent of the Board.

The Rules prohibit dealing in the Company's securities by persons:

- *who possess inside information, in particular information that ought reasonably to be known as "inside information" in relation to Company securities; or*
- *the Disclosure Officer has issued an instruction prohibiting dealing in Company securities by a Designated Officer; or*
- *it is a day on which the Company has made or is expected to make an announcement to the ASX; or*
- *he or she has not complied with obtaining the necessary clearances from the Disclosure Officer.*

End of Corporate Governance Statement