29 October 2014

ASX ANNOUNCEMENT

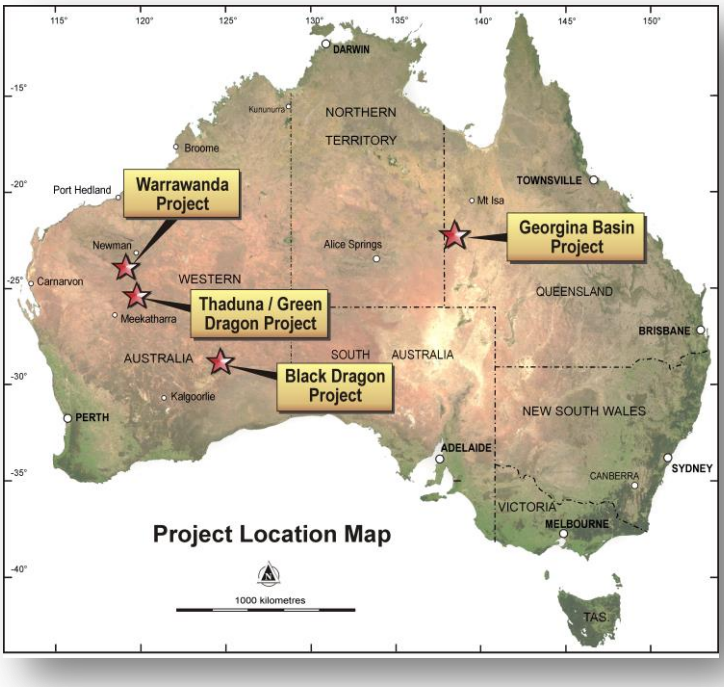
SEPTEMBER QUARTER 2014 ACTIVITY STATEMENT

Ventnor Resources Ltd (**Ventnor** or **the Company**) is a base-metals focused explorer which has aggressively explored the historic Thaduna/Green Dragon copper project located 170km north of Meekatharra in Western Australia.

On 28 November 2013 Ventnor shareholders voted unanimously for the Company to enter a landmark farm-in and joint venture agreement with Sandfire Resources NL (**Sandfire**) in order to fast-track development and minimise the capital cost to establish the project.

Under the terms of the agreement Sandfire can earn up to 80% of Thaduna/Green Dragon by making an upfront payment of $3 million and managing and sole funding a further $6m on further exploration, feasibility studies, pre-development and, if feasible, development and toll treatment of ore at Sandfire's nearby DeGrussa operation.

Ventnor also holds the Warrawanda nickel project in Western Australia, 40km south of Newman, and the Georgina Basin project in western Queensland's Mt Isa Inlier which is well endowed with iron oxide copper gold ("IOCG") systems and sulphide base metal deposits. Recently, the Company has applied for a tenement adjacent to the Tropicana Gold Mine which is prospective for gold.



ASX: VRX

Capital Structure

Shares on Issue 118.3 million

Unlisted Options 1.05 million

Market Cap @ 7¢ a share

$9 million (Fully Diluted)

Corporate Directory

Paul Boyatzis
Non-Executive Chairman

Bruce Maluish
Managing Director

Peter Pawlowitsch
Non-Executive Director

John Geary
Company Secretary

Company Projects

Thaduna/Green Dragon Copper Project in the Doolgunna district, WA (subject to SFR Farm-in)

Warrawanda Nickel Project south of Newman, WA

Georgina Basin IOCG Project in western Queensland

Recent application for a tenement adjacent to the Tropicana Gold Mine

The Company is actively assessing other base metal projects in Australia.

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Ventnor Resources Limited

EXPLORATION

Thaduna/Green Dragon Copper Project

Sandfire Farm-In and Joint Venture

Ventnor Resources Limited and Sandfire Resources NL (Sandfire) executed a transaction designed to fast-track Ventnor's Thaduna/Green Dragon Copper Project into production while removing the need for Ventnor to raise additional funding for mine development.



In seeking a JV partner one of the key objectives of the Ventnor Board was to deliver maximum future value and minimise dilution for shareholders. The Sandfire agreement not only fulfilled this objective but also represents a unique solution for the Company to secure the development of Thaduna/Green Dragon with an unrivalled partner in the region.

The key elements of the transaction comprise of a farm-in, funding and toll treatment agreement with Sandfire to advance the Project to production utilising Sandfire's modern production facilities at its DeGrussa Copper Project.

One of the advantages for Ventnor in forming the JV with Sandfire will be the expedited assessment of the possibility of developing the Project utilising Sandfire's existing plant and infrastructure. This will substantially reduce the overall capital required and potentially bring forward the timing of achieving first production and cash flow by a meaningful period. It will remove the need for Ventnor to raise substantial finance (either equity or debt) and at the

same time to reduce the risk of project feasibility and development through a farm out and funding solution coupled with a toll milling arrangement at a low operating cost.

Once in production Ventnor is required to repay its share of the development costs from free cash flow. Ventnor will then be free to receive what it hopes will be a significant quarterly dividend from the Joint Venture.

Sandfire initially acquired a 35% interest in the Project by paying $3M upfront directly to Ventnor. Sandfire can then acquire an additional 16% (total 51%) for the second $3M tranche, and 29% (total 80%) for the third $3M. The second and third tranches will be spent directly on the Project.

Ventnor retains an option to acquire Sandfire's interest if Sandfire fails to commence production from the Project within five years. The option price is the total amount that Sandfire has expended to that point in time.

This transaction represents substantial value accretion for Ventnor shareholders by:

- Reducing the previous project capital cost estimate of $70M included in the Scoping Study (completed February 2013) to only the establishment costs.
- Sandfire providing all JV funding through to production from contributions and interest-free loans;
- Ventnor not incurring additional financing costs to develop the project;
- Minimising on-going equity dilution for current shareholders; and
- Lower processing costs at Sandfire's DeGrussa plant because of its higher throughput rate compared to that contemplated in the Ventnor Scoping Study.

Sandfire has been assessing two development opportunities at the Thaduna Project. An oxide project, with ore to be treated through the proposed DeGrussa Copper Oxide Heap Leach and a sulphide project, with ore to be treated through the existing DeGrussa Flotation Processing Plant.

Since Ventnor's ASX listing on 24th February 2011 more than 65,000 metres of RC and diamond core has been drilled at Thaduna/Green Dragon Copper Project with supporting metallurgical testwork and multi-element assays. All of the project data and surviving core has been transferred to the Sandfire team.

Sandfire are currently reviewing the project data to validate the existing JORC Resource and updating the structural model.

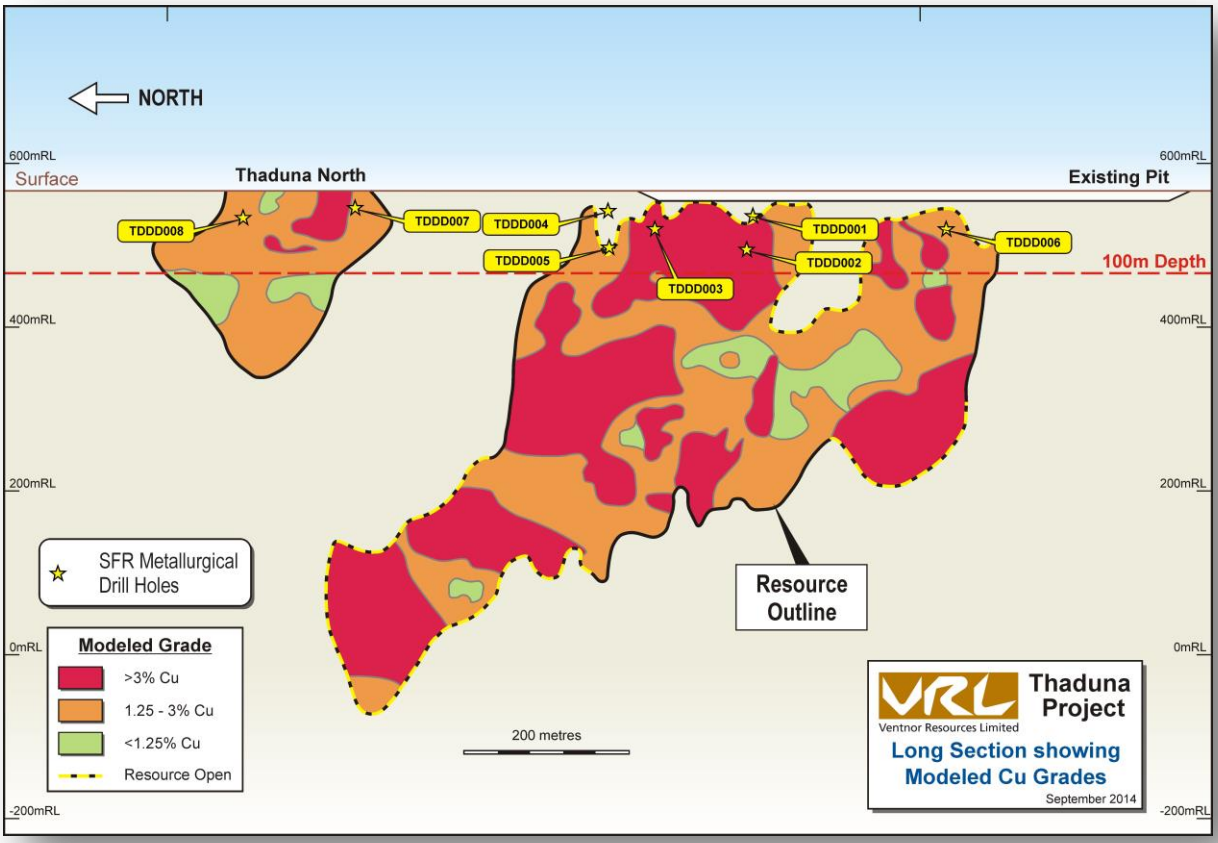
Sandfire confirmed the commencement of its first drilling program at Thaduna in May 2014. The program is planned to provide diamond core for assay and metallurgical testwork, with:

- Shallow dipping diamond drilling directly under the existing Thaduna pit;
- Nine drill holes for 935 metres with PQ sized core;
- Drilling taking approximately three weeks**;** and
- Metallurgical testwork program subject to mineralisation encountered in an expected transition zone.

Details of the results were announced on 9 September 2014 by Ventnor and Sandfire jointly providing an update on work undertaken to date at Thaduna/Green Dragon.

Sandfire has completed a series of eight drill holes at the Thaduna project which have been drilled for metallurgical testwork of the transitional zone under the existing pit.

Of the eight holes, seven encountered mineralisation as reasonably expected in the transition zone below, and to the north, of the existing open cut (TDDD002 encountered weak, narrow mineralisation only; verified using field portable XRF). The long section below shows the location of the drill holes over the existing Mineral Resource as outlined by Ventnor.



Best results returned from assays include **10.8** metres at **6.6%** copper from 72 metres downhole, **10.6** metres at **2.3%** copper from 37 metres downhole and **7.7** metres at **3.2%** copper from 78 metres downhole.

The results were in line with expectations and the information increases the understanding of the geology and metallurgy of the shallow areas north of and below the existing Thaduna pit.

The sampling and assaying protocols followed were significantly different from Mineral Resource definition. The samples were selected on lithological boundaries for metallurgical testing for both the oxide processing potential and processing of sulphide material through Sandfire's DeGrussa plant, 40km from Thaduna/Green Dragon.

Some zones of visually weak mineralisation were not analysed. Existing mineralised pulps will be sent for further analysis and additional QA/QC.

The metallurgical testwork program for Thaduna/Green Dragon is expected to be completed by the end of the September quarter, with results to follow soon after.

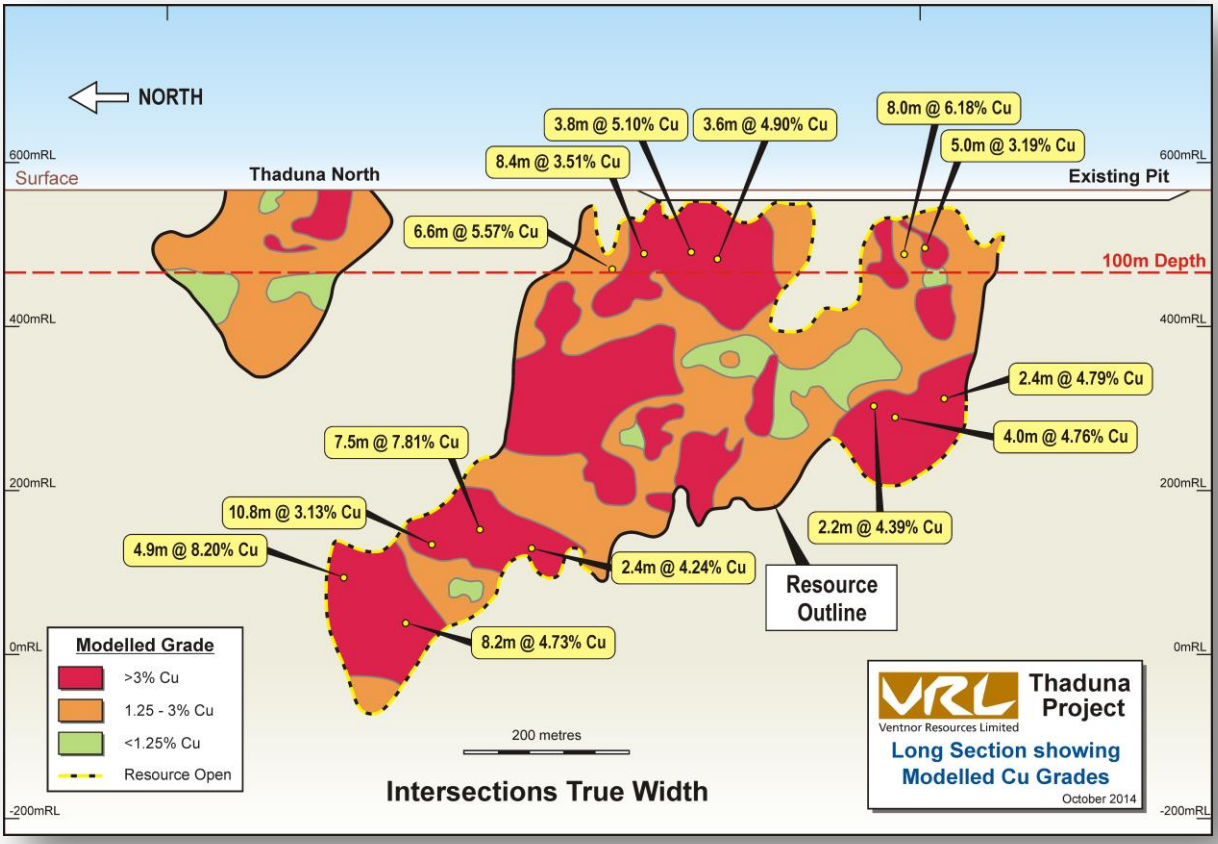
Work completed to date by Sandfire has moved the project forward. It includes:

- Re-logging of all core and RC chips (continuing)
- Re-surveying of drill holes with high deflection.
- Review of database and import to Datashed
- Commenced wireframing and modelling of Thaduna
- Ongoing metallurgical testwork on shallow holes
- Completed rehabilitation requirements
- Full tenement DTM survey
- Drafting of a project evaluation document

Sandfire has indicated that progress on metallurgical testwork, mineral resource estimates and mining optimisations, scheduling and costing is on track for Ore Reserves estimates and a Scoping Study by the end of 2014.

Detailed Information

At the time of commencement of the Joint Venture with Sandfire Resources, Ventnor had completed 221 RC holes for 29,041 metres with 79 Diamond Tails for 20,485 metres, totaling 49,526 metres at the Thaduna Project.



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On 12 May 2014, Sandfire announced commencement of a drilling program comprising nine PQ-sized diamond core holes, for 935 metres, targeting mineralisation directly under the existing Thaduna Pit. These holes were to generate samples for a comprehensive metallurgical testwork program over the transitional mineralisation. Eight PQ-sized holes were drilled for 808.5m in total length. Additional shallow drilling would be required to better define the near surface Mineral Resources prior to any decision to commence mining.

The sampling and assaying protocols followed are significantly different from Mineral Resource definition. The samples were selected on lithological boundaries for metallurgical testing. Some zones of expected mineralisation, that displayed only weak, narrow, or no mineralisation have not yet been analysed.

The assay results received from Sandfire consisted of selected mineralised zones that were assayed at ALS Global for head assays as part of the metallurgical testwork program. These assays will not be included in a Mineral Resource upgrade.

Intersections generated from the metallurgical drill hole assays are shown in the table below:

New holes drilled by SFR

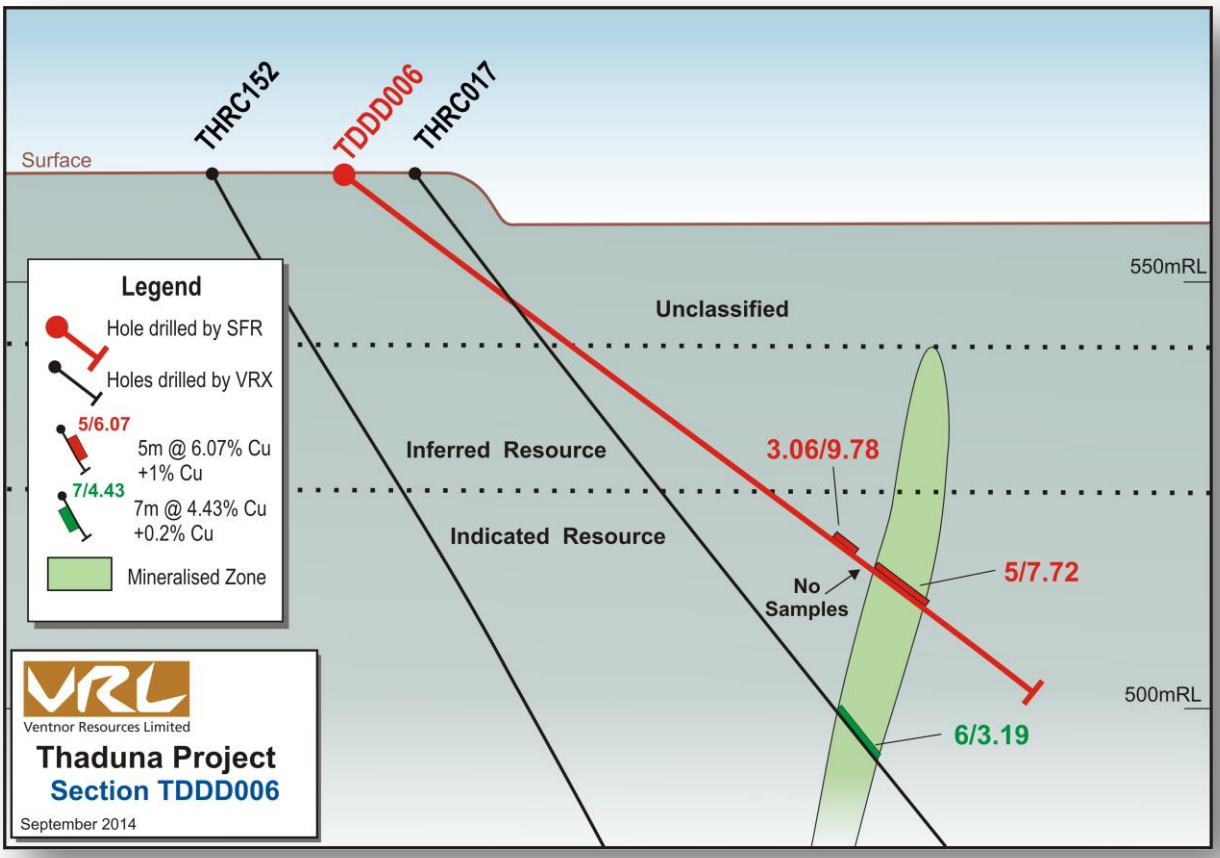
Hole Id	Easting	Northing	Az	Dip	From	To	DH m	Samp. m	TW m	Cu %	Ag ppm	Type
TDDD001	772702	7176032	58	-37	77.80	86.50	8.70	7.70	7.08	3.20	8.6	
							incl.	**5.20**	**4.78**	**4.15**	**12.3**	**PQ**
							incl.	2.50	2.30	1.22	0.8	
TDDD002	772701	7176032	63	-51	**No samples submitted for TDDD002**							**PQ**
TDDD003	772647	7176151	58	-39	75.98	76.90	0.92	0.92	0.83	7.13	15.9	**PQ**
TDDD004	772627	7176177	60	-32	73.76	78.60	4.84	2.86	2.72	3.83	6.8	
							incl.	**1.44**	**1.37**	**5.40**	**10.3**	**PQ**
							incl.	1.42	1.35	2.23	3.3	
TDDD005	772626	7176177	60	-50	91.82	99.00	7.18	2.32	2.02	2.85	6.9	
							incl.	**1.44**	**1.25**	**3.40**	**8.4**	**PQ**
							incl.	0.88	0.77	1.95	4.3	
TDDD006	772849	7175841	57	-38	72.58	85.94	13.36	10.78	9.70	6.63	28.1	
							incl.	**3.06**	**2.75**	**9.78**	**23.5**	**PQ**
							incl.	**7.72**	**6.95**	**5.38**	**30.0**	
TDDD007	772530	7176485	60	-55	26.98	30.39	3.41	3.41	2.73	2.58	0.9	**PQ**
TDDD008	772513	7176605	248	-56	36.63	50.97	14.34	10.58	6.35	2.33	8.6	
							incl.	0.53	0.32	1.42	10.4	**PQ**
							incl.	**8.90**	**5.34**	**2.48**	**8.1**	
							incl.	1.15	0.69	1.57	11.7	
Previous VRX Drilling												
THRC017	772848.5	7175856	58	-54	85	91	6	6	5.22	3.19	15.6	**RC**

True Width intersections are estimates from sections.

No samples were selected from TDDD002 as visual indications (verified by hand held XRF) were of narrow and weak mineralisation.

A cross section presenting the drilling of **TDDD006** is shown below to demonstrate the attitude of the drilling in comparison to the previous Ventnor drilling, which at this shallow level was typically RC.

The cross section as presented is the southernmost drill hole.



The cross section showing drill hole **TDDD006** which has intersected near the top of the previously modeled Indicated Resource (VRX estimate and VRX generated cross section). The intersection is wider and higher grade mineralisation than that previously intersected by **THRC017** (VRX) with a visually weak internal zone which was not selected for assay or metallurgical testwork and may be a result of intersecting a higher grade transitional zone or a minor splay.

There are two high grade zones separated by 2.58 metres with no samples submitted.

Ventnor Resources Limited

Warrawanda

The Company has continued with the review of data at the Warrawanda Nickel Project and has re-processed data from the TEMPEST Survey conducted by Geological Survey of Western Australia (GSWA) and Geoscience Australia (GA) which recently released the final results of the Capricorn TEMPEST airborne electromagnetic (EM) survey.

The Warrawanda Nickel Project is located 60 kilometres south of Newman, in the Sylvania Inlier, an Archaean granite-greenstone terrane in the Pilbara region of Western Australia.

The Warrawanda Nickel Project is a 16km-long sequence of steeply-dipping rocks dominated by ultramafic and mafic rocks with lesser clastic components, including shale. The rock units intersected are predominantly ultramafic Komatiites with serpentine after olivine, mafic rocks as well as minor fine-grained clastic rocks and felsic dykes.

Since listing in February 2011 the Company has conducted several exploration programs at the Warrawanda Nickel Project;

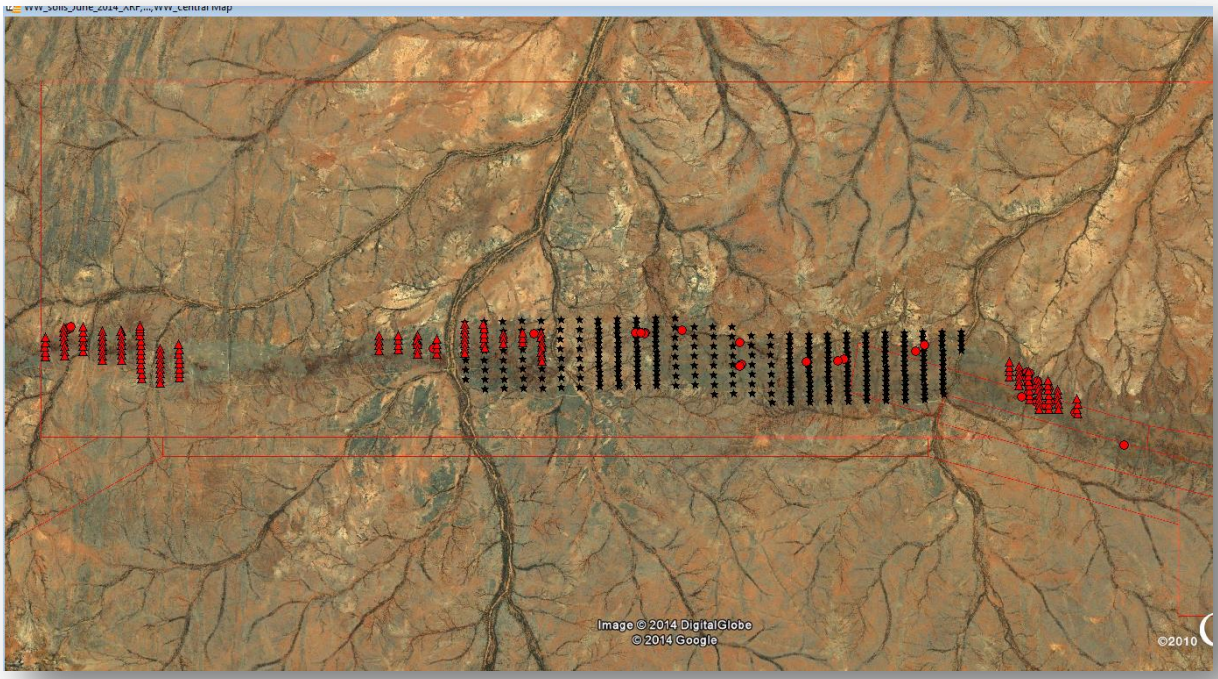
1. Reviewed the historic data which comprises 86 vertical RAB holes; 46 vertical RC holes exploring for nickel-cobalt laterite deposits in 1996 and 1997.
2. Reviewed chip sampling from 2006 that returned several elevated Nickel ("Ni"), Cu, Zinc ("Zn") and Chromium ("Cr") results and identified a gossan that may be related to massive sulphide mineralisation
3. Conducted an aerial EM mag survey April 2011 which was processed and identified a number of conductive, and in some cases co-incident magnetic, anomalies
4. Drilled 13 RC drill holes for 2,494 metres August 2011 with 4 metre composites extensively assayed for 50 elements
5. Undertaken surface geology mapping and 300 geochem surface samples September 2011 with multi-element assays indicating anomalous Ni, Cu, Zn, Cr and low level gold
6. Acquired HyMap data over the ultramafic sequence March 2012 which provides multi-spectral data over the Project area
7. Collected another 144 geochem soil and rock chip samples June 2014 over specific anomalous areas

Field Survey 2014

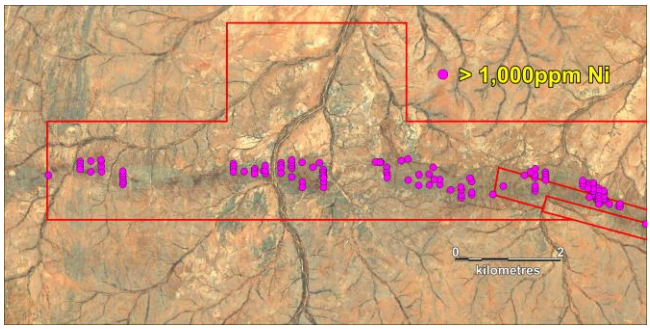
In June 2014 an on ground geological field survey was undertaken with the expressed purpose of achieving the following from selected anomalous areas;

- Extend current soil geochem
- Ironstone/gossan sampling and mapping
- Ground truth HyMap highlights
- Review for potential drilling sites

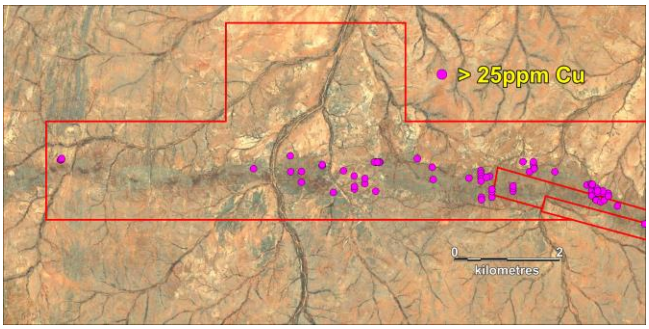
A total of 144 soils and 49 rock chip samples were collected and analysed with a hand portable xrf, see image below for the areas that have been sampled.



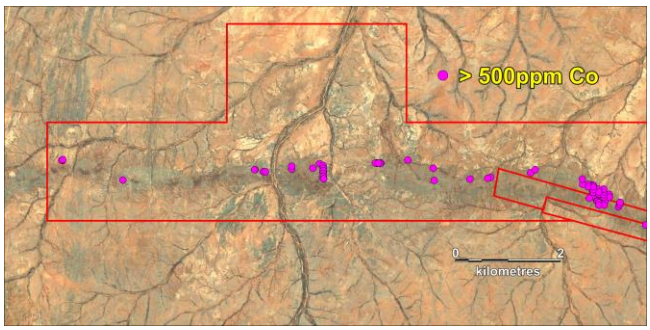
The assays from the June 2014 field trip have been combined with prior data and present a compelling exploration target with co-incident base metals anomalies.



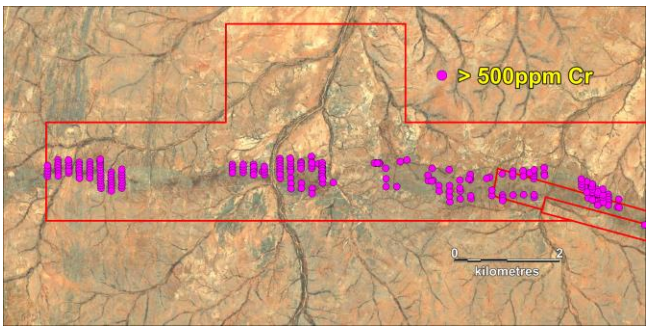
Nickel occurrences > 1000ppm Ni



Copper occurrences > 25ppm Cu



Cobalt occurrences > 500ppm Co



Chromium occurrences > 500ppm Cr

As a result of the work completed to date, the increased understanding of the geologic environment of the Warrawanda project area has confirmed the potential for the presence of

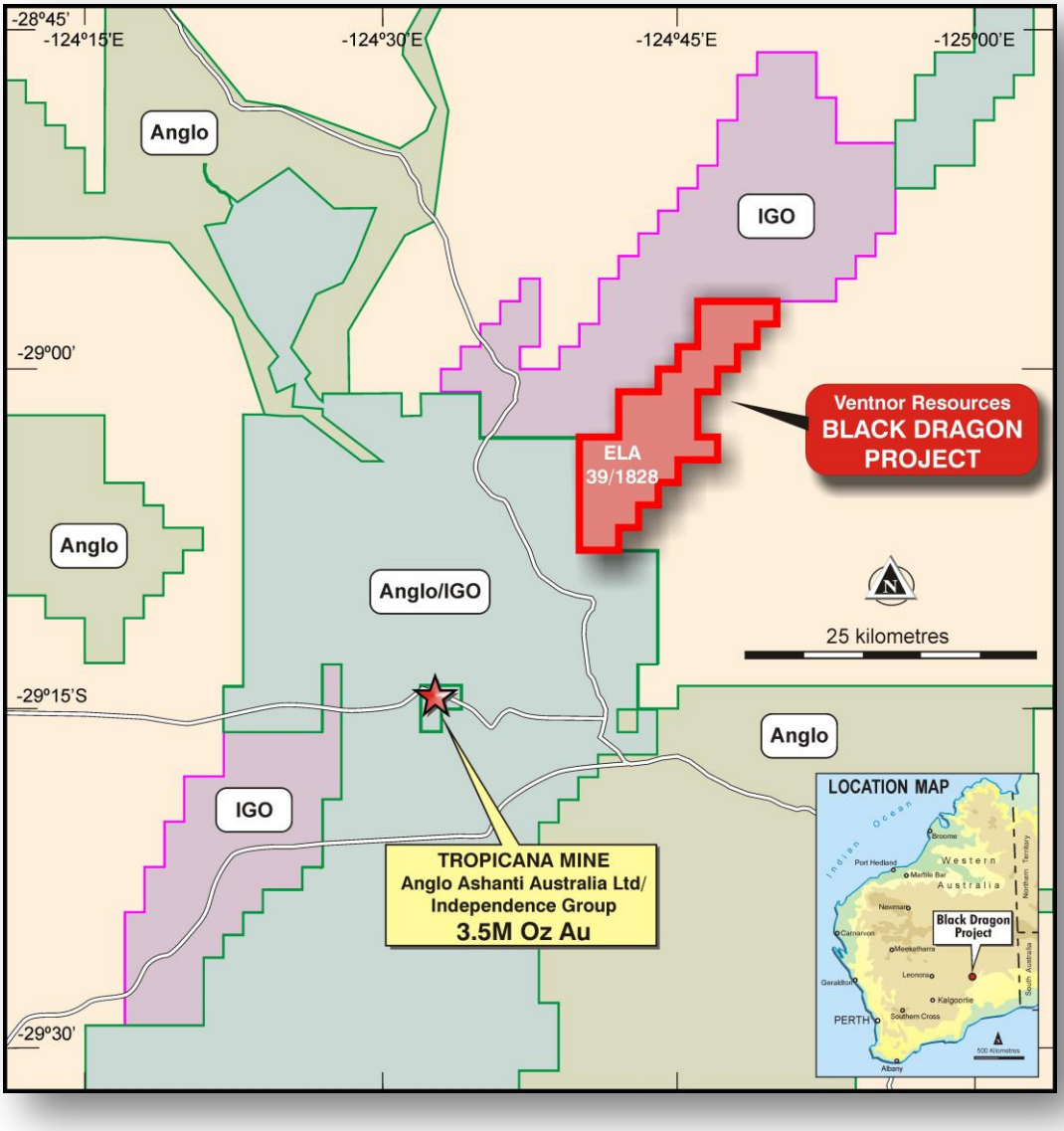
nickel sulphides with a number of potential mineralising systems including Kambalda-style sulphide nickel and Indian NiFeCo ores.

Black Dragon

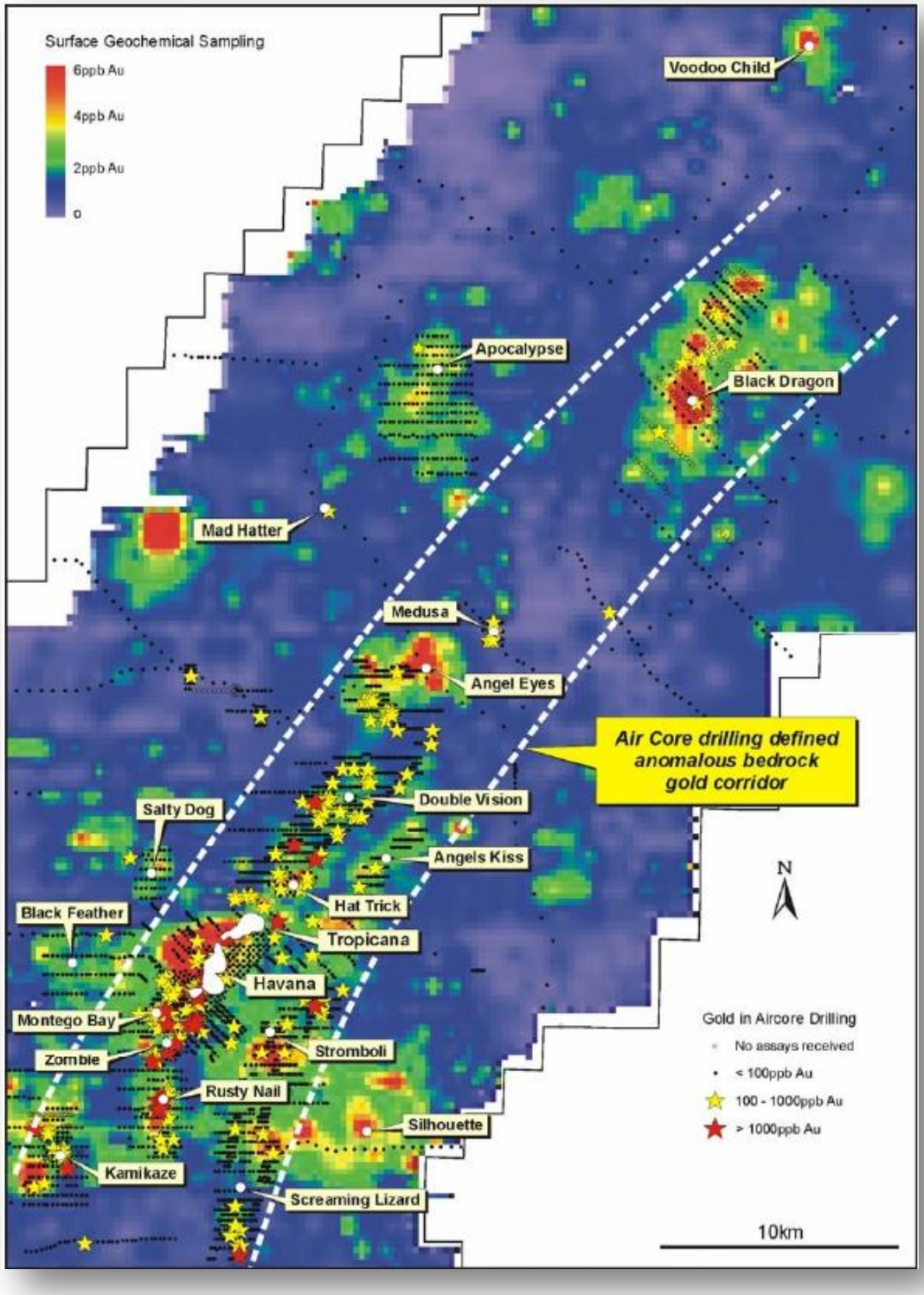
New Tenement Application

On 21 August 2014 Ventnor announced a new tenement application, ELA39/1828, adjacent to the jointly owned Anglo Gold Ashanti/Independence Group Tropicana Gold mine.

ELA39/1828 comprises 42 graticular blocks and has within it the Black Dragon Prospect which has been the subject of recent exploration. It is the intention of the Company to review all of the available data and provide further information to the market in due course.



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Georgina Basin

No work was undertaken on the Georgina IOCG Project in Queensland. The Company has been actively seeking JV partners

Ventnor Resources Limited

Competent Person's Statement

The information in this release that relates to Exploration Results is based on, and fairly represents, information and supporting documentation supplied by Sandfire Resources NL pertaining to the Thaduna/Green Dragon Copper Project, and compiled by Mr David Reid who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Reid is a contractor to Ventnor Resources Limited. Mr Reid 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 "2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Reid consents to the inclusion in this report of the matters based on information provided by him and in the form and context in which it appears.

CORPORATE

There was no corporate activity undertaken during the quarter.

For further information please contact:

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Ventnor Resources Limited

ABOUT VENTNOR

Ventnor Resources is a base-metals focused explorer with a JV with Sandfire Resources NL at the historic Thaduna/Green Dragon project, 170 km north of Meekatharra in Western Australia.

The Thaduna/Green Dragon Project is located 40km east of DeGrussa and represents the largest copper resource in the Doolgunna-Bryah Basin Region outside of Sandfire's DeGrussa-Doolgunna Project.

Also in Western Australia, 40 km south of Newman is the Warrawanda nickel project. In western Queensland, the Georgina Basin project lies within the Mt Isa Inlier, which is well endowed with Iron Oxide Copper Gold ("IOCG") systems and sulphide base-metal deposits.
The Company has recently applied for a tenement adjacent to the Tropicana Gold Mine in WA that is prospective for gold.

Known Copper and Nickel Mineralisation

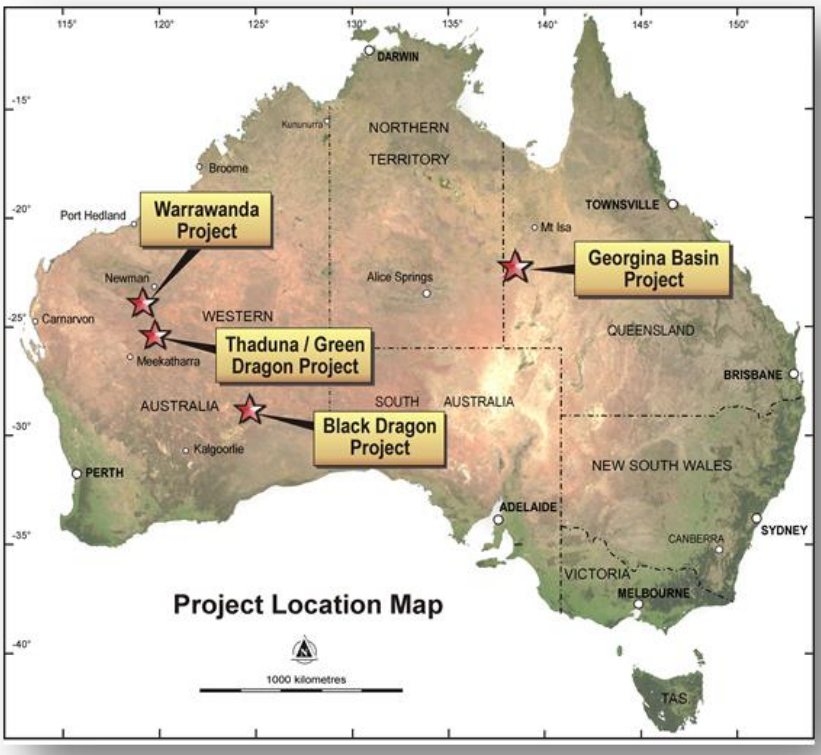
The Thaduna/Green Dragon copper project has historic mine production; copper mineralisation has been confirmed with four phases of exploration drilling; a Scoping Study has confirmed the economic potential of the project. A farm-in deal has been transacted with Sandfire Resources to develop the project and to treat ore. The prospectivity of the Warrawanda nickel project was increased when nickel gossans were identified in recent work. Further work is planned for 2014.

Proven Management

The Ventnor directors have extensive experience in the management of publicly listed mining and exploration companies.

The Company is actively seeking and evaluating other base metals projects in Australia.

PROJECT LOCATIONS



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