Ventnor Resources Limited

29 January 2015

ASX ANNOUNCEMENT

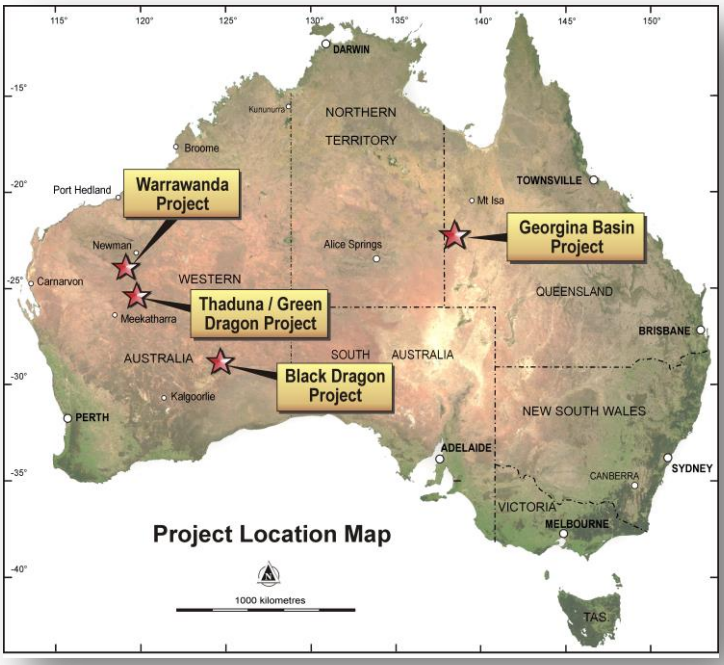
DECEMBER QUARTER 2014 ACTIVITY STATEMENT

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 while removing the need for Ventnor to raise additional funding for mine development.

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 has 100% ownership of 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.

Level 1, 6 Thelma Street, West Perth WA 6005
t : +61 8 9226 3780 f : +61 8 9226 3764 e : info@ventnorresources.com.au www.ventnorresources.com.au
ABN 59 142 014 873

Ventnor Resources Limited

EXPLORATION

Thaduna/Green Dragon Copper Project

Sandfire Farm-In and Joint Venture

One of the key objectives of the Ventnor Board in seeking a JV partner was to deliver maximum future value and minimise dilution for shareholders. The Sandfire agreement fulfilled this objective and represents a unique solution for the Company to secure the development of Thaduna/Green Dragon with an established copper producer in the region.



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.

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.

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.

Thaduna/Green Dragon Joint Venture Progress by Sandfire

Up to and during the December quarter Sandfire has reviewed the Ventnor Mineral Resource with updated downhole survey data used as the basis for assessing the potential development opportunities at Thaduna. These opportunities included processing sulphide ore through the DeGrussa Flotation Processing Plant and oxide ore through the proposed DeGrussa Copper Oxide Heap Leach and SX-EW Plant.

Thaduna is a narrow and steeply dipping deposit with potential for a small open pit followed by a small-scale underground mine. A production rate of 350,000 tonnes per annum was supported by the resource and used for the basis of a scoping study.

Sandfire confirmed the work conducted by Ventnor that the resource does not contain sufficient quantities of oxide ore to warrant transport and treatment at the proposed DeGrussa plant nor justify a standalone oxide facility at Thaduna. Metallurgical testwork completed on the sulphide ore indicated good rougher flotation response and recoveries through the DeGrussa processing plant.

Due to the size of the deposit and its proximity to DeGrussa, Thaduna was evaluated as a satellite operation to DeGrussa to minimise costs. This eliminated the establishment of significant surface infrastructure, with the major capital cost being an upgrade to a section of the Wiluna North Road to allow transport of the sulphide ore to the DeGrussa processing plant. Current revenue factors, costs and operating parameters from DeGrussa were used as the basis of the study, with the DeGrussa mining contractor providing mining costs for the study on the basis of sharing mining resources where appropriate.

Conclusions from drilling conducted by Ventnor were confirmed by the Sandfire Scoping Study evaluation that, whilst NPV positive under current market conditions, further exploration drilling is required to increase the resource potential with the objective of enhancing the project financial returns. This work will be undertaken in line with the Ventnor JV agreement, with the aim of reviewing the resource and Scoping Study at the completion of drilling.

Warrawanda

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.

During the previous quarter Ventnor acquired 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 Company has continued with the review of data at the Warrawanda Nickel Project and has re-processed the TEMPEST Survey data.

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;

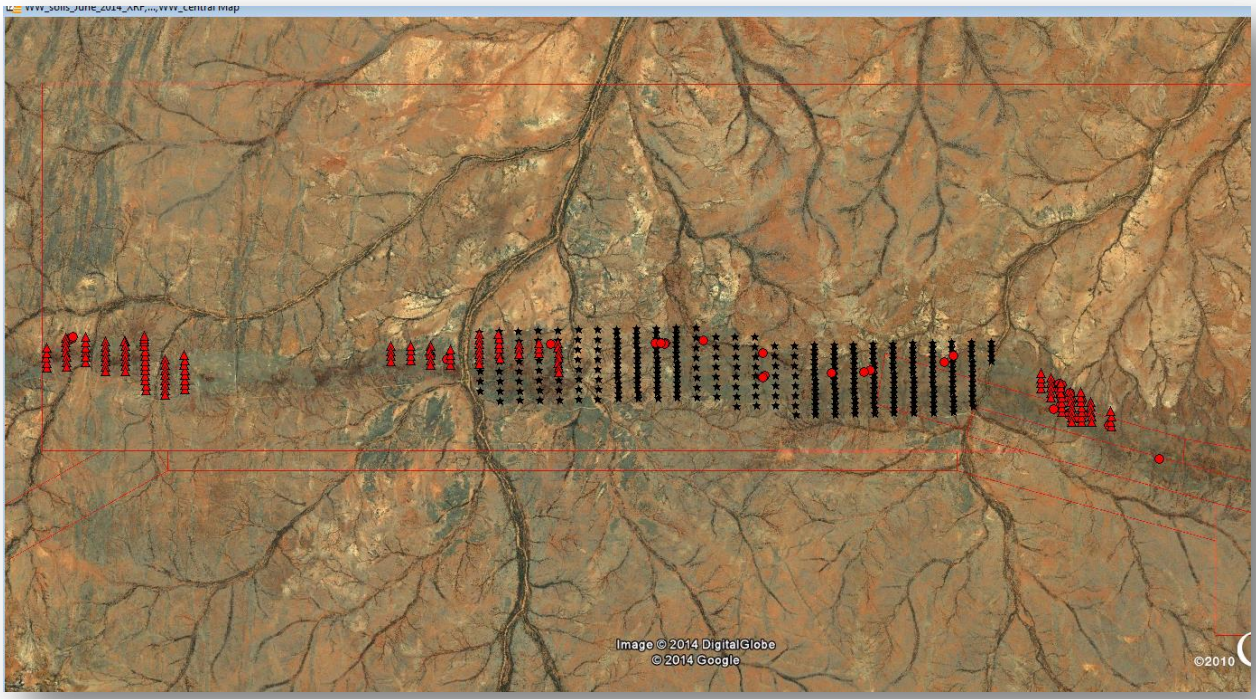
- Extend current soil geochem
- Ironstone/gossan sampling and mapping
- Ground truth HyMap highlights
- Review for potential drilling sites

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.

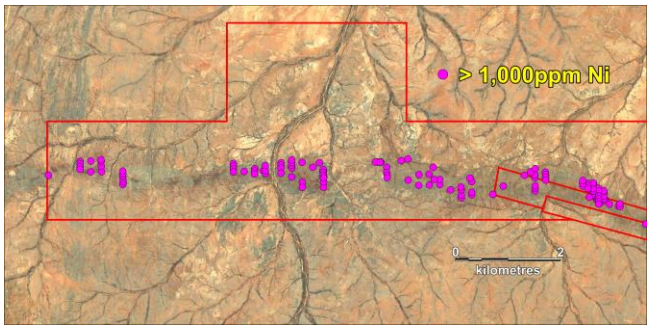
The Company has been evaluating the data acquired to date and has planned a program of drilling and downhole EM surveys to further investigate the anomalies highlighted to date.

Work completed to date has increased understanding of the geologic environment of the Warrawanda project area and has confirmed the potential for the presence of nickel sulphides.

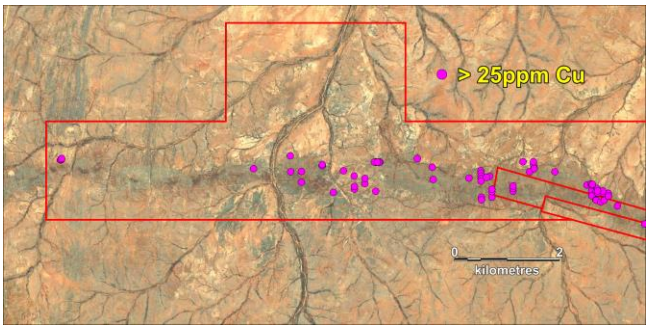
Ventnor has entered Confidentiality Agreements with selected suitably qualified prospective JV partners and continues to negotiate potential terms.



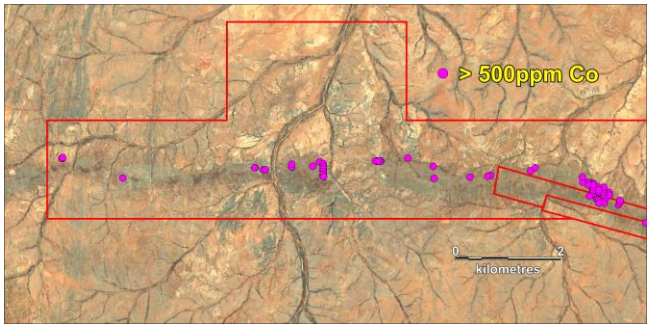
The assays from the June 2014 field trip have been combined with prior data and present a compelling exploration target with co-incident base metals anomalies.



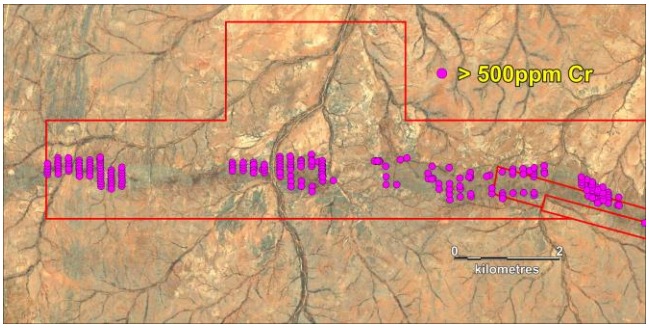
Nickel occurrences > 1000ppm Ni



Copper occurrences > 25ppm Cu



Cobalt occurrences > 500ppm Co



Chromium occurrences > 500ppm Cr

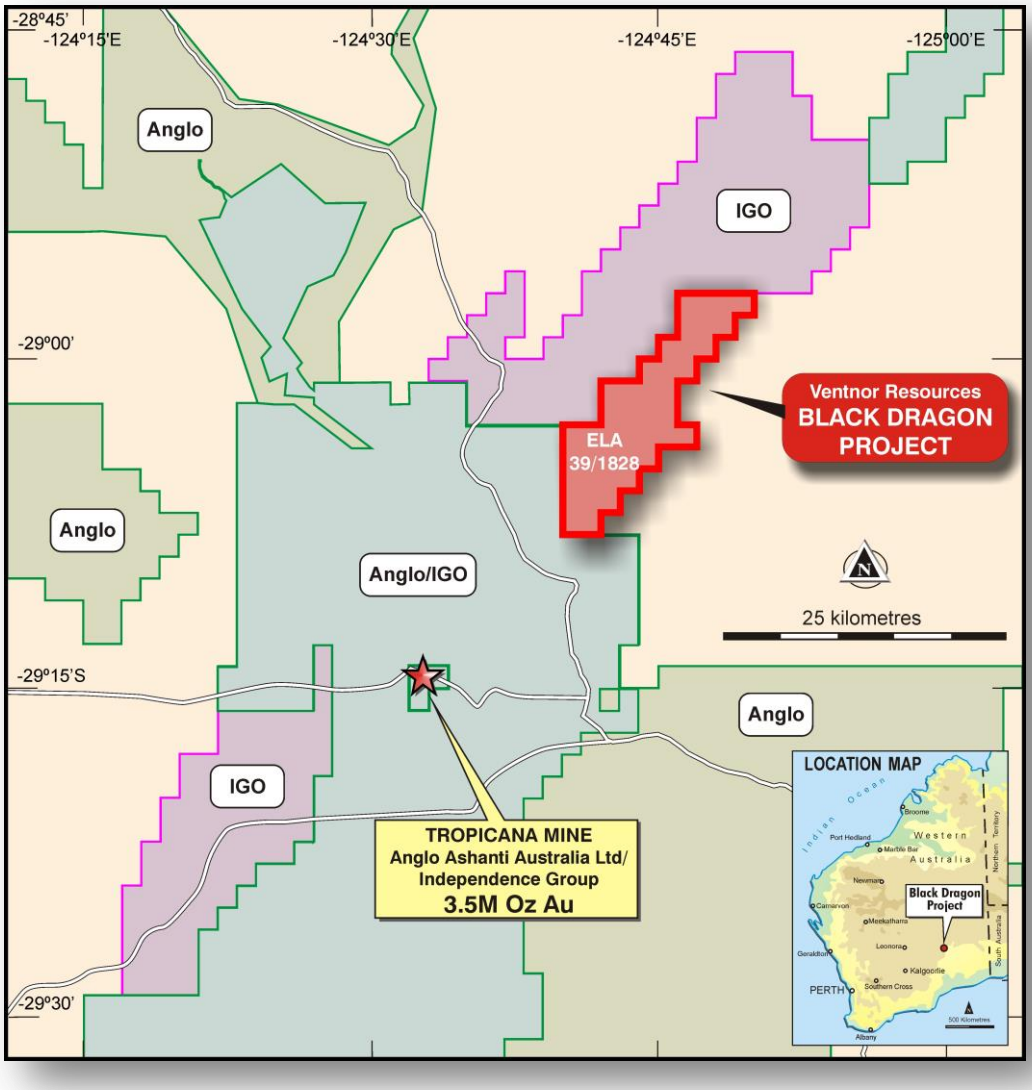
Ventnor Resources Limited

Black Dragon

New Tenement Application

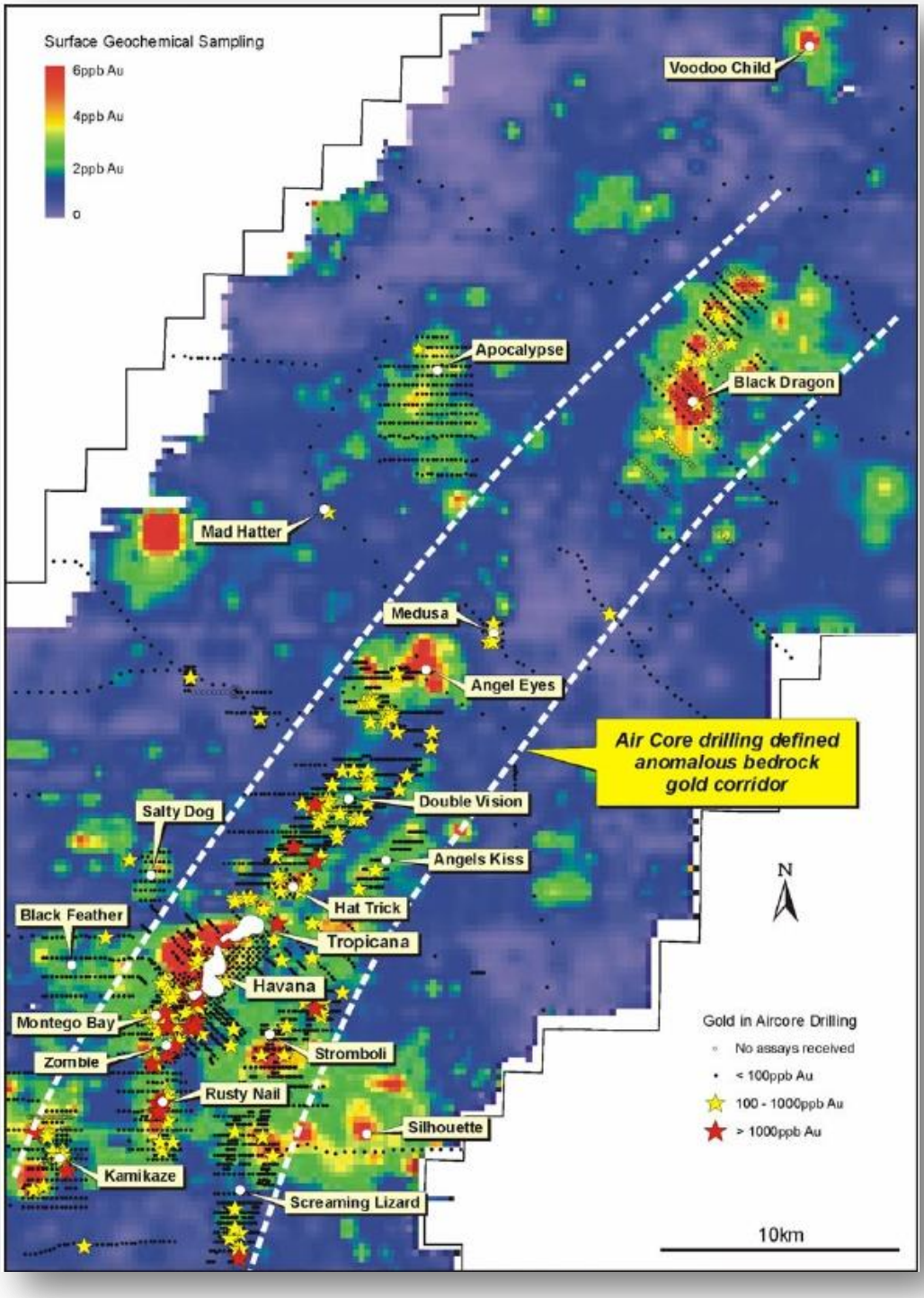
On 21 August 2014 Ventnor announced a new tenement application, ELA39/1828, adjacent to the jointly owned Anglo Gold Ashanti/Independence Group Tropicana Gold mine.

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.



Level 1, 6 Thelma Street, West Perth WA 6005
t : +61 8 9226 3780 f : +61 8 9226 3764 e : info@ventnorresources.com.au www.ventnorresources.com.au
ABN 59 142 014 873

Ventnor Resources Limited



Georgina Basin

The Company has been evaluating a range of geophysical techniques along with cost estimates for the Georgina IOCG Project in Queensland. The Company has also been actively seeking JV partners

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:

Bruce Maluish, Managing Director
brucem@ventnorresources.com.au
Tel: +61 8 9226 3780
www.ventnorresources.com.au

Media: Warrick Hazeldine/Michael Vaughan
Cannings Purple Communications
Tel: +61 8 6314 6300
whazeldine@canningspurple.com.au
mvaughan@canningspurple.com.au

Ventnor Resources Limited

Interests in Mining Tenements

WESTERN AUSTRALIA

Thaduna/Green Dragon Project - Copper

Tenement	Status	Interest at beginning of quarter (%)	Interests sold to JV partner (%)	Interests acquired or increased (%)	Interest at end of quarter (%)
M52/1060	Granted	65	-	-	65
M52/1061	Granted	65	-	-	65
L52/149	Granted	65	-	-	65
L52/150	Granted	65	-	-	65

Warrawanda Project - Nickel

Tenement	Status	Interest at beginning of quarter (%)	Interests relinquished, reduced or lapsed (%)	Interests acquired or increased (%)	Interest at end of quarter (%)
E52/2372	Granted	100	-	-	100
P52/1242	Granted	100	-	-	100
P52/1243	Granted	100	-	-	100
P52/1244	Granted	100	-	-	100
P52/1281	Granted	100	-	-	100
P52/1282	Granted	100	-	-	100
P52/1283	Granted	100	-	-	100

Nickel Hills Project - Nickel

Tenement	Status	Interest at beginning of quarter (%)	Interests relinquished, reduced or lapsed (%)	Interests acquired or increased (%)	Interest at end of quarter (%)
E52/2550	Granted	100	-	-	100

Doolgunna Project - Copper

Tenement	Status	Interest at beginning of quarter (%)	Interests relinquished, reduced or lapsed (%)	Interests acquired or increased (%)	Interest at end of quarter (%)
E52/2548	Granted	100	-	-	100

Bronzewing North Project - Gold

Tenement	Status	Interest at beginning of quarter (%)	Interests relinquished, reduced or lapsed (%)	Interests acquired or increased (%)	Interest at end of quarter (%)
P53/1547	Granted	100	100	-	-
P53/1548	Granted	100	100	-	-
P53/1549	Granted	100	100	-	-
P53/1550	Granted	100	100	-	-
P53/1551	Granted	100	100	-	-

QUEENSLAND

Georgina Basin Project – Iron Oxide-Copper-Gold

Tenement	Status	Interest at beginning of quarter (%)	Interests relinquished, reduced or lapsed (%)	Interests acquired or increased (%)	Interest at end of quarter (%)
EPM18389	Granted	100	-	-	100
EPM18390	Granted	100	-	-	100

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

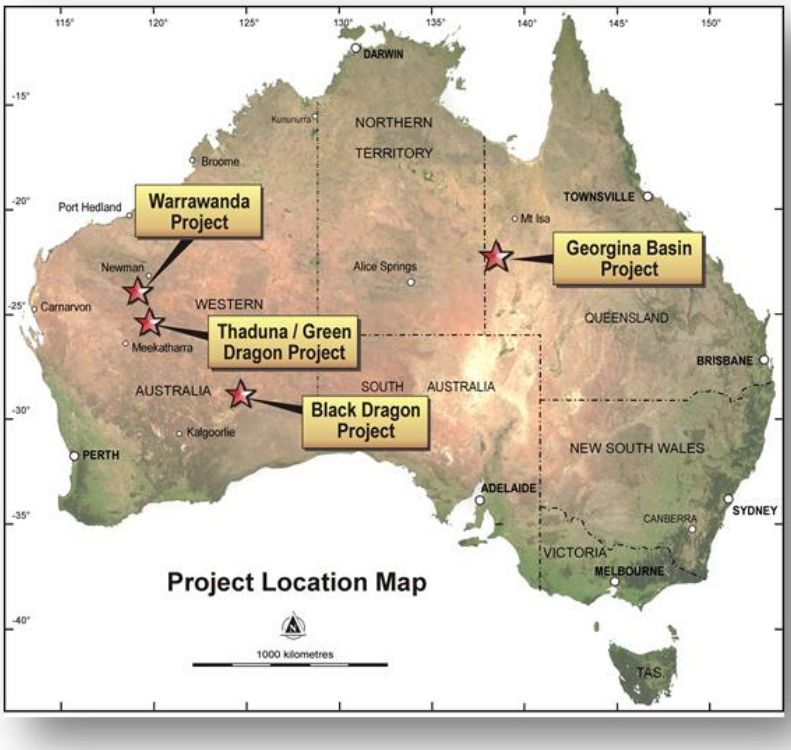
The Thaduna/Green Dragon copper project has historic mine production; copper mineralisation has been confirmed with four phases of exploration drilling; a Scoping Study has confirmed the economic potential of the project. A farm-in deal has been transacted with Sandfire Resources to develop the project 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



Level 1, 6 Thelma Street, West Perth WA 6005
t : +61 8 9226 3780 f : +61 8 9226 3764 e : info@ventnorresources.com.au www.ventnorresources.com.au
ABN 59 142 014 873