VENTNOR RESOURCES LIMITED

ABN 59 142 014 873

INTERIM FINANCIAL REPORT

FOR HALF-YEAR ENDED

31 DECEMBER 2014

CORPORATE DIRECTORY

DIRECTORS

Paul Boyatzis (Non-Executive Chairman)
Bruce Maluish (Managing Director)
Peter Pawlowitsch (Non-Executive Director)

SECRETARY

John Geary

REGISTERED AND PRINCIPAL OFFICE

Level 1, 6 Thelma Street
West Perth WA 6005

Telephone: (08) 9226 3780
Facsimile: (08) 9226 3764

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 2
45 St George's Terrace
Perth WA 6000

Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033

AUDITORS

RSM Bird Cameron Partners
8 St Georges Terrace
Perth WA 6000

AUSTRALIAN SECURITIES EXCHANGE

Ventnor Resources Limited shares (VRX) are listed on the Australian Securities Exchange

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2014. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

DIRECTORS

The names of the Directors who held office during or since the end of the half-year and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated:

Paul Boyatzis (Non-Executive Chairman)
Bruce Maluish (Managing Director)
Peter Pawlowitsch (Non-Executive Director)

REVIEW OF OPERATIONS

The net loss for the half-year attributable to members of Ventnor Resources Limited was $419,052 (2013: loss of $1,621,302).

EXPLORATION ACTIVITIES SUMMARY

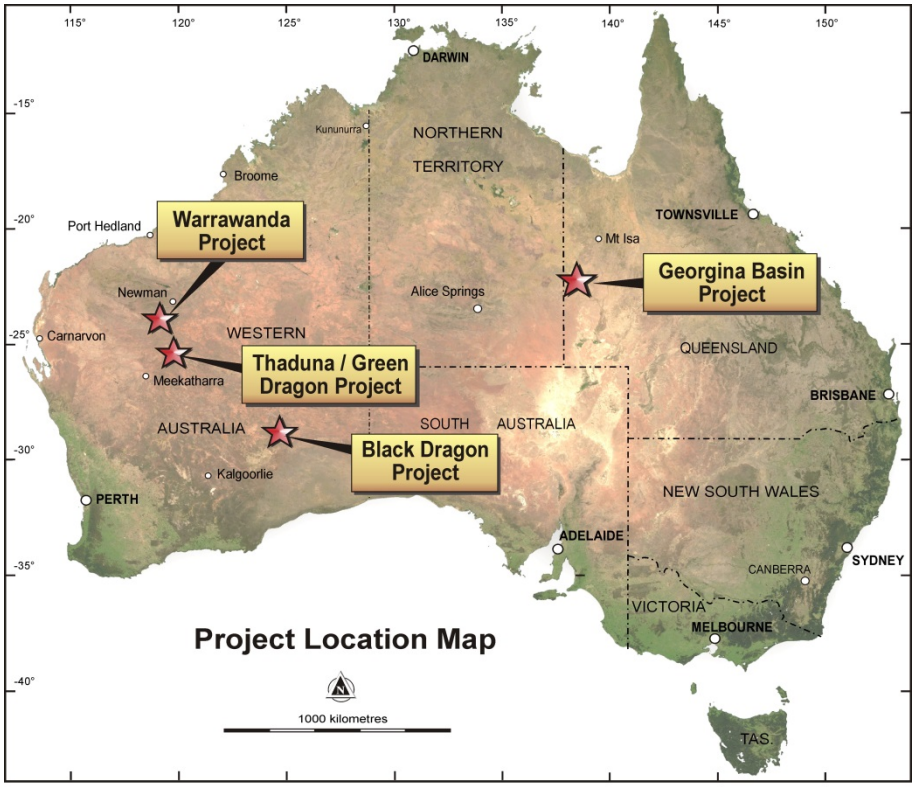
Ventnor Resources Ltd (**Ventnor** or **the Company**) is a base-metals focused explorer which has aggressively explored the historic Thaduna/Green Dragon copper project located 170km north of Meekatharra in Western Australia.

In the 30 months following Ventnor listing on the ASX on 24 February 2011 the Company drilled more than 65,000 metres of RC and diamond core at Thaduna/Green Dragon Copper Project with supporting metallurgical testwork and multi-element assays.

Ventnor shareholders voted unanimously for the Company to enter a landmark farm-in and joint venture agreement with Sandfire Resources NL (**Sandfire**) which was finalised 4 December 2013.

This removed the need for Ventnor to raise additional funding for mine development and enabled a fast-track to development while giving Ventnor a 20% free carried interest in the toll treatment of Thaduna Green Dragon 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. Recently, the Company has applied for a tenement adjacent to the Tropicana Gold Mine which is prospective for gold.



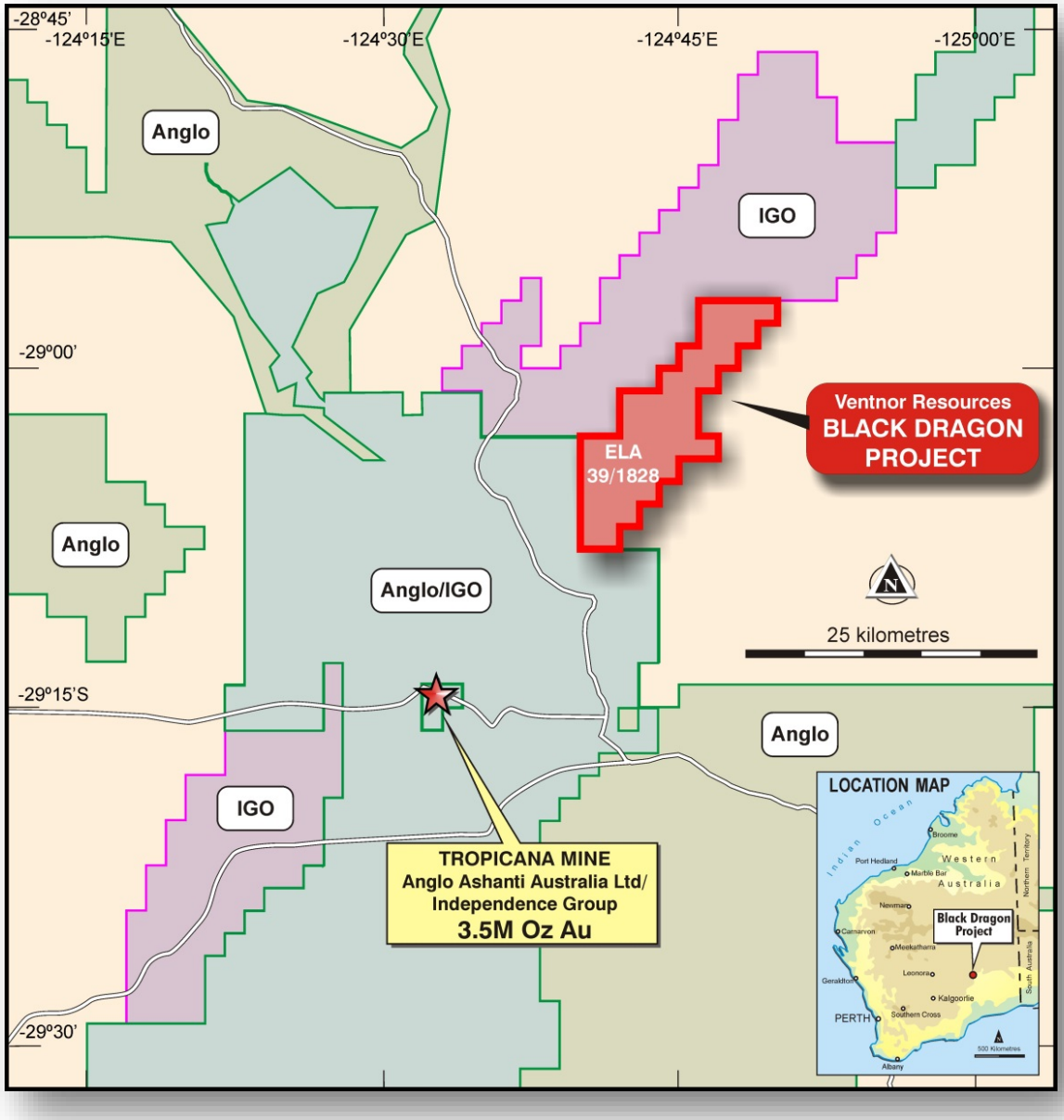
EXPLORATION

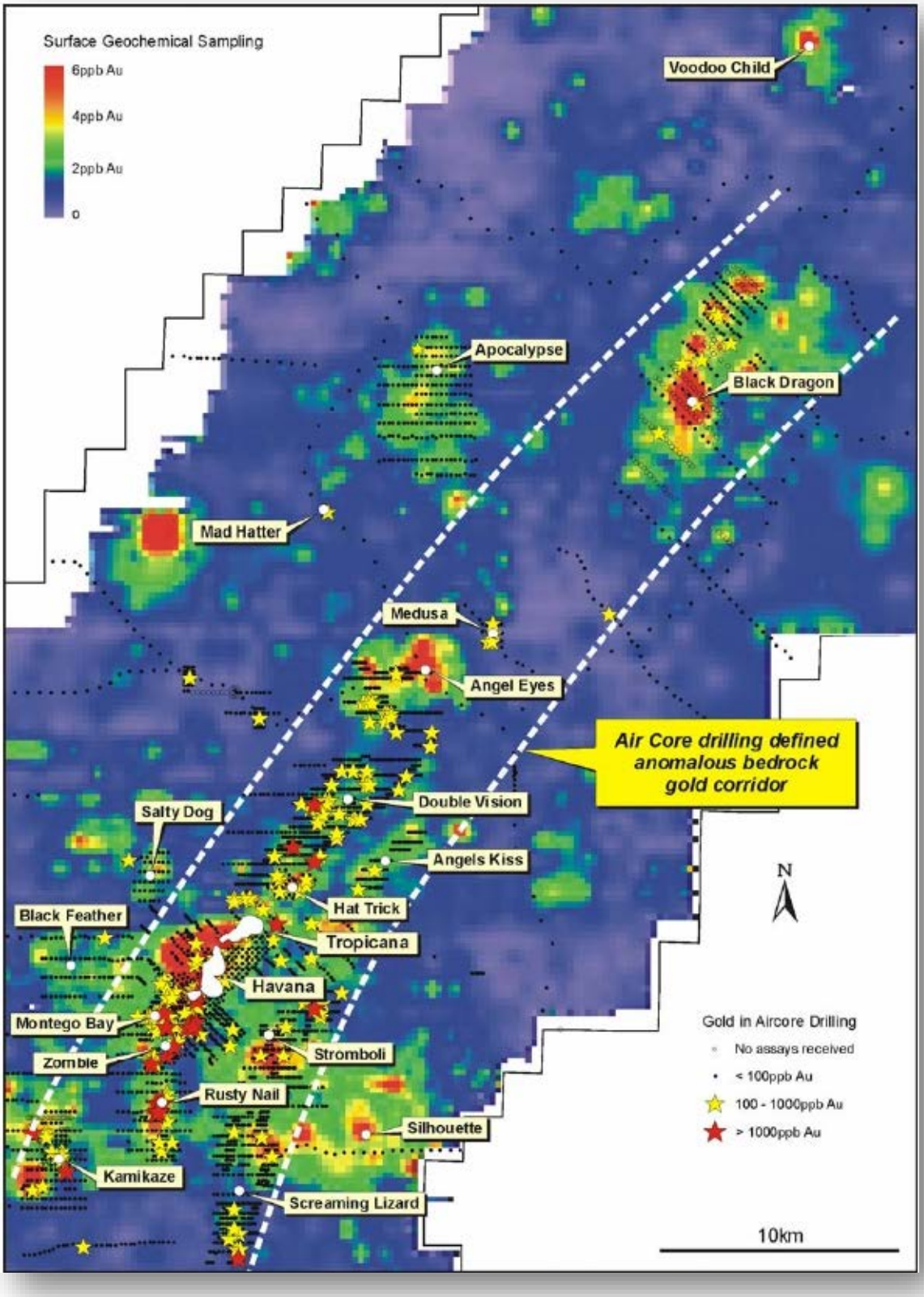
Black Dragon

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.


-28°45'
-124°15'E
-124°30'E
-124°45'E
-125°00'E
Anglo
IGO
-29°00'
Ventnor Resources
BLACK DRAGON
PROJECT
ELA
39/1828
Anglo
Anglo/IGO
25 kilometres
-29°15'S
Anglo
IGO
LOCATION MAP
Indian Ocean
Broome
Port Hedland
Marble Bar
Western
Australia
Northern Territory
Newman
Black Dragon
Project
Carnarvon
Meekatharra
Leonora
Geraldton
Kalgoorlie
PERTH
Southern Cross
South Australia
500 Kilometres
Albany
TROPICANA MINE
Anglo Ashanti Australia Ltd/
Independence Group
3.5M Oz Au
-29°30'


Surface Geochemical Sampling
6ppb Au
4ppb Au
2ppb Au
0
Voodoo Child
Apocalypse
Black Dragon
Mad Hatter
Medusa
Angel Eyes
Air Core drilling defined anomalous bedrock gold corridor
Double Vision
Salty Dog
Angels Kiss
Hat Trick
Black Feather
Tropicana
Havana
Montego Bay
Stromboli
Zombie
Rusty Nail
Silhouette
Kamikaze
Screaming Lizard
N
Gold in Aircore Drilling
No assays received
< 100ppb Au
100 - 1000ppb Au
> 1000ppb Au
10km

Thaduna/Green Dragon Copper Project

Sandfire Farm-In and Joint Venture



The Sandfire JV agreement satisfied a key objective of the Ventnor Board in seeking to deliver maximum future value and minimise dilution for shareholders with an established copper producer 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.

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

All of the project data and surviving core has been transferred to the Sandfire team and up to 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 commenced its first drilling program at Thaduna in May 2014. The program was 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.

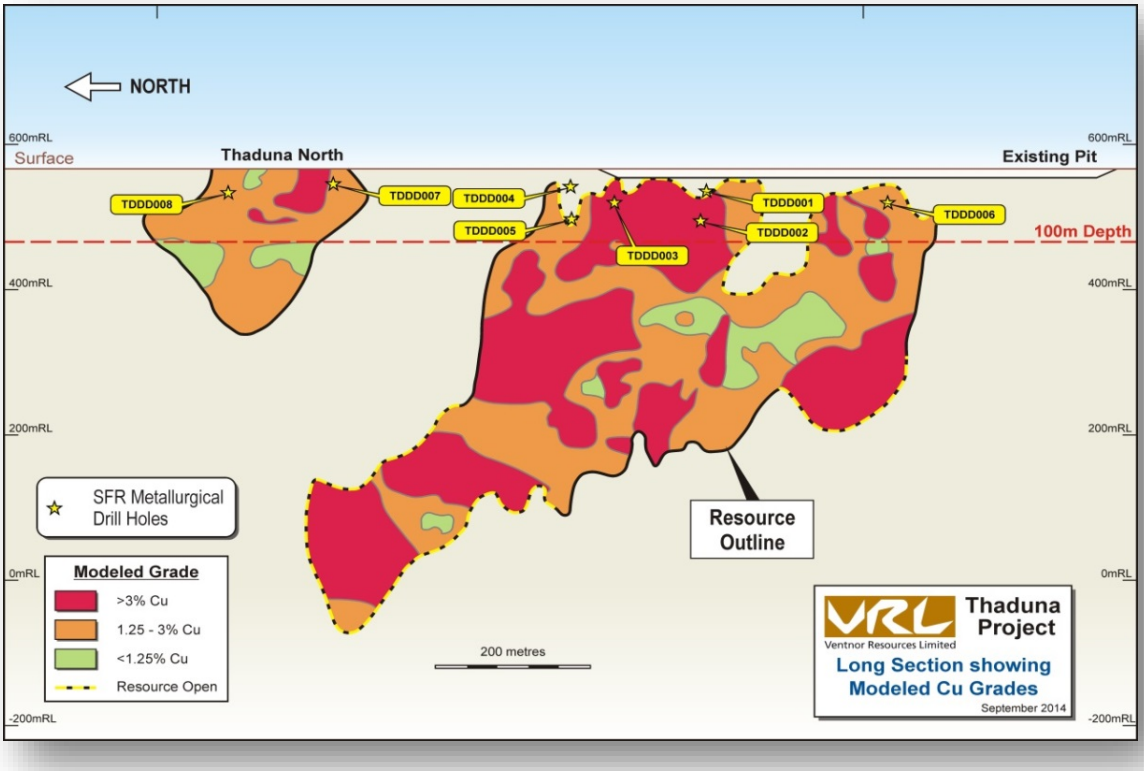
Details of the results were announced on 9 September 2014 by Ventnor and Sandfire jointly providing an update on work undertaken to date at Thaduna/Green Dragon.

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.

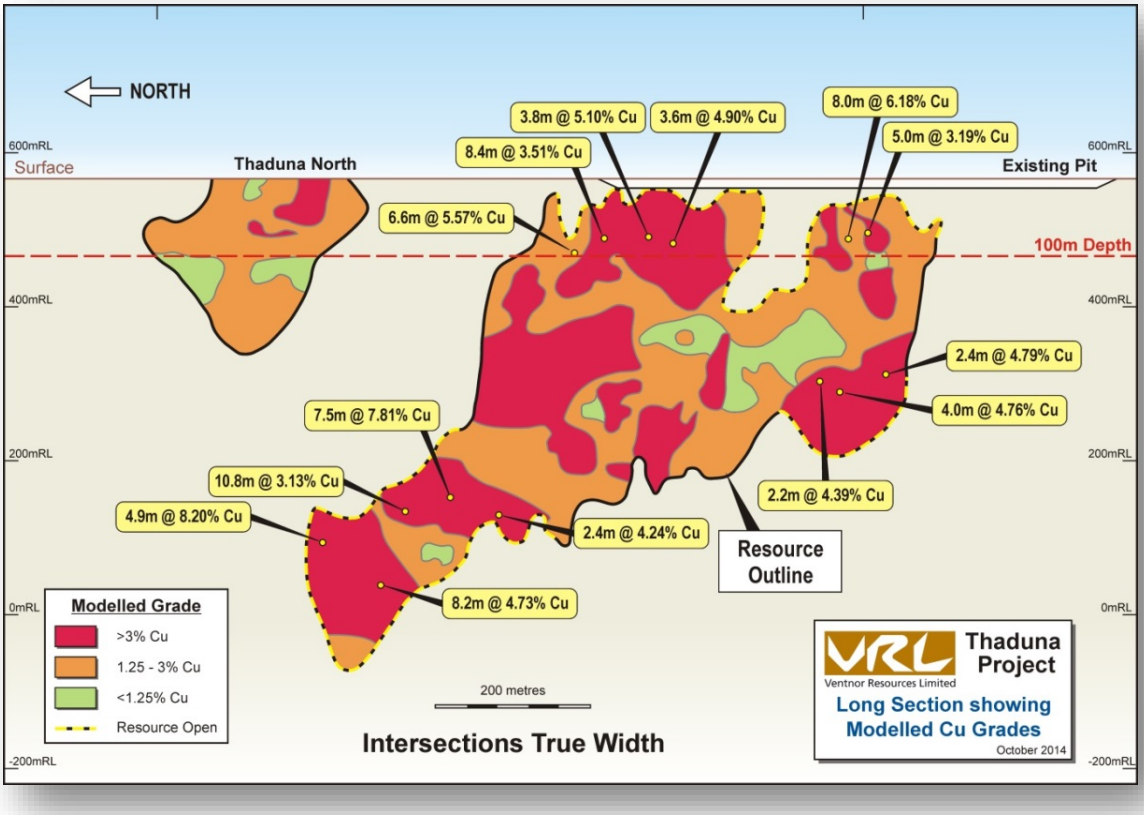
The metallurgical testwork program for Thaduna/Green Dragon was completed by the end of the September quarter, with results following soon after.

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

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.



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

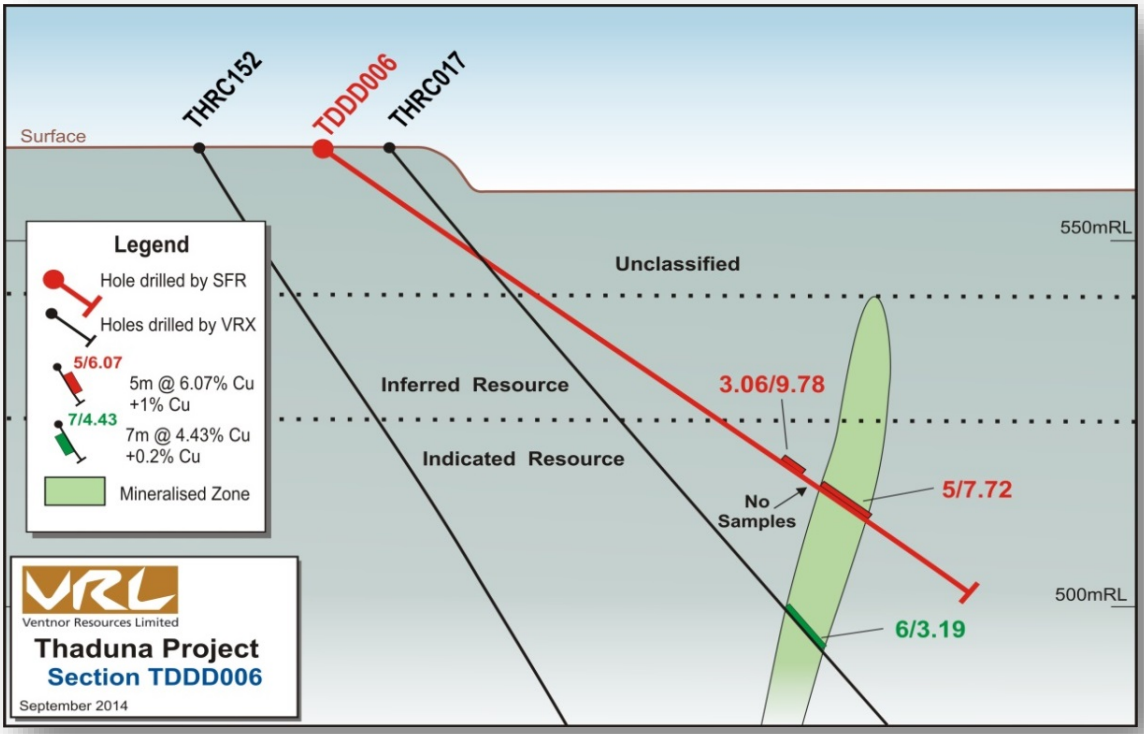
Hole Id	Easting	Northing	Az	Dip	From	To	DH m	Samp. m	TW m	Cu %	Ag ppm	Type
TDDD001	772702	7176032	58	-37	77.80	86.50	8.70	7.70	7.08	3.20	8.6	
							incl.	**5.20**	**4.78**	**4.15**	**12.3**	**PQ**
							incl.	2.50	2.30	1.22	0.8	
TDDD002	772701	7176032	63	-51	**No samples submitted for TDDD002**							**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.

JV Summary

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;

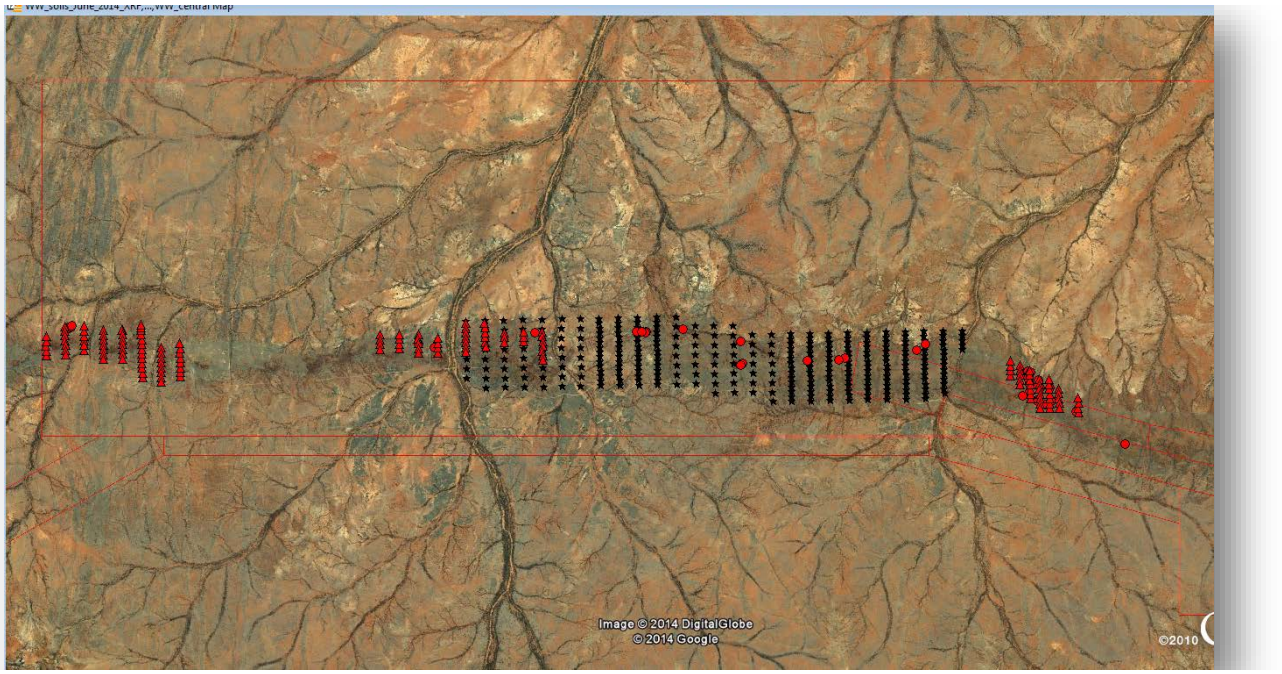
- Extend current soil geochem
- Ironstone/gossan sampling and mapping
- Ground truth HyMap highlights
- Review for potential drilling sites

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.

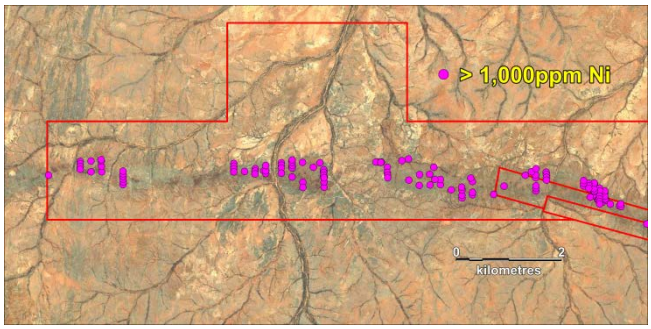
The Company has been evaluating the data acquired to date and has planned a program of drilling and downhole EM surveys to further investigate the anomalies highlighted to date.

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.

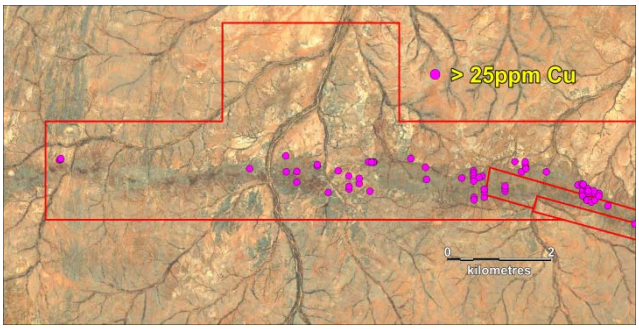
Ventnor has entered Confidentiality Agreements with selected suitably qualified prospective JV partners and continues to negotiate potential terms.



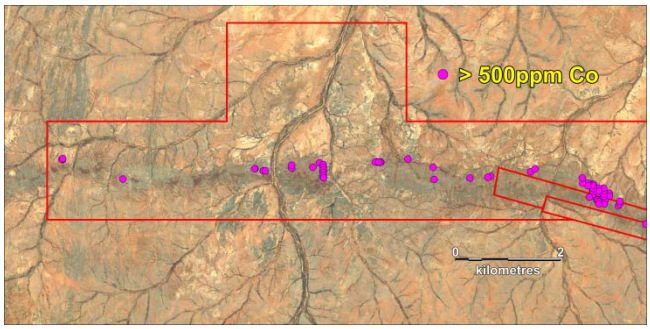
The assays from the June 2014 field trip have been combined with prior data and present a compelling exploration target with co-incident base metals anomalies.



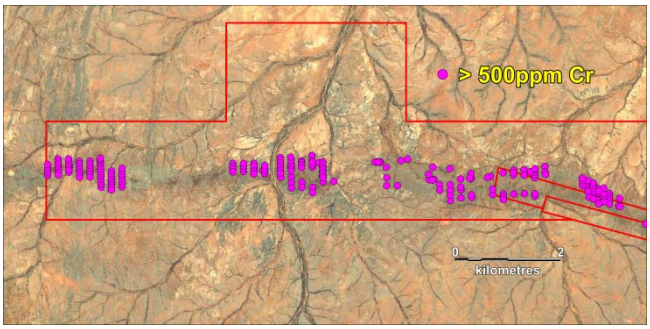
Nickel occurrences > 1000ppm Ni



Copper occurrences > 25ppm Cu



Cobalt occurrences > 500ppm Co



Chromium occurrences > 500ppm Cr

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 report 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

During the half-year the Company issued 2,750,000 unlisted options exerciseable at 5.5 cents each on or before 2 December 2017, as remuneration and incentive for future services.

CHANGES IN STATE OF AFFAIRS

During the half-year ended 31 December 2014 there was no significant change in the entity's state of affairs other than that referred to in the half-year financial statements or notes thereto.

EVENTS SUBSEQUENT TO THE PERIOD

There are no other matter or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods, other than as disclosed in Note 7 to the financial statement.

AUDITOR'S DECLARATION OF INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 in relation to the review for the half-year ended 31 December 2014 is included within this financial report.

Signed in accordance with a resolution of the directors.



Paul Boyatzis
Chairman

Perth, 6 March 2015

STATEMENT OF COMPREHENSIVE INCOME
For the half-year ended 31 December 2014

	Consolidated	
	31 December 2014 $	**31 December 2013 $**
Continuing operations		
Revenue	**38,174**	45,279
Exploration and evaluation expenditure	**(68,646)**	(905,527)
Depreciation	**(21,192)**	(25,494)
Directors fees and benefits expense	**(79,750)**	(139,792)
Share based payments	**(83,890)**	-
Finance costs	**-**	(213,320)
Corporate and administration expenses	**(203,748)**	(382,448)
Loss before income tax expense	**(419,052)**	(1,621,302)
Income tax expense	**-**	-
Net loss for the period	**(419,052)**	(1,621,302)
Other comprehensive income	**-**	-
Other comprehensive income for the period, net of tax	-	-
Total comprehensive loss attributable to members of Ventnor Resources Limited	**(419,052)**	(1,621,302)
Basic and diluted loss per share (cents per share)	**(0.35)**	(2.28)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
As at 31 December 2014

	Note	Consolidated 31 December 2014 $	Consolidated 30 June 2014 $
ASSETS			
Current Assets			
Cash and cash equivalents		**777,674**	1,158,099
Trade and other receivables		**43,392**	44,064
Total Current Assets		**821,066**	1,202,163
Non-Current Assets			
Trade and other receivables		**42,000**	42,000
Plant and equipment		**61,845**	83,038
Deferred exploration expenditure	2	**12,237,250**	12,155,904
Total Non-Current Assets		**12,341,095**	12,280,942
Total Assets		**13,162,161**	13,483,105
LIABILITIES			
Current Liabilities			
Trade and other payables		**68,155**	58,148
Provisions		**50,624**	46,413
Total Current Liabilities		**118,779**	104,561
Total Liabilities		**118,779**	104,561
Net Assets		**13,043,382**	13,378,544
EQUITY			
Issued capital	3	**18,774,150**	18,774,150
Reserves		**1,551,256**	1,467,366
Accumulated losses		**(7,282,024)**	(6,862,972)
Total Equity		**13,043,382**	13,378,544

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2014

Consolidated	Issued Capital $	Accumulated Losses $	Other Reserves $	Total Equity $
Balance at 1 July 2013	16,879,224	(4,651,151)	1,430,506	13,658,579
Loss for period	-	(1,621,302)	-	(1,621,302)
Total comprehensive loss for period	-	(1,621,302)	-	(1,621,302)
Cost of share based payments	-	-	36,860	36,860
Balance at 31 December 2013	16,879,224	(6,272,453)	1,467,366	12,074,137
Balance at 1 July 2014	**18,774,150**	**(6,862,972)**	**1,467,366**	**13,378,544**
Loss for period	**-**	**(419,052)**	**-**	**(419,052)**
Total comprehensive loss for period	**-**	**(419,052)**	**-**	**(419,052)**
Cost of share based payments	**-**	**-**	**83,890**	**83,890**
Balance at 31 December 2014	**18,774,150**	**(7,282,024)**	**1,551,256**	**13,043,382**

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2014

	Consolidated	
	31 December 2014 $	**31 December 2013 $**
Cash flows from operating activities		
Payments to suppliers and employees	**(268,914)**	(543,984)
Interest received	**14,076**	2,777
Finance costs	**-**	(252,066)
Net cash (used in) operating activities	**(254,838)**	(793,273)
Cash flows from investing activities		
Expenditure on mining interests	**(125,587)**	(508,310)
Proceeds from sale of share in mining interests	**-**	3,000,000
Payment of Joint Venture transaction costs	**-**	(150,000)
Refund of security deposit	**-**	1,100
Net cash (used in)/from investing activities	**(125,587)**	2,342,790
Cash flows from financing activities		
Proceeds from borrowings	**-**	1,400,000
Repayment of borrowings	**-**	(2,340,000)
Net cash (used in) / provided by financing activities	**-**	(940,000)
Net (decrease) / increase in cash held	**(380,425)**	609,517
Cash at beginning of the half-year	**1,158,099**	241,499
Cash at end of the half-year	**777,674**	851,016

The accompanying notes form part of these financial statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2014 has been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by Ventnor Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period, except in relation to the matters disclosed below.

New and Revised Accounting Standards

The consolidated entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the consolidated entity.

2. DEFERRED EXPLORATION EXPENDITURE

Costs carried forward in respect of areas of interest in the following phases:

	31 December 2014 $	30 June 2014 $
Exploration and evaluation phase – at cost	**12,237,250**	12,155,904
Movement		
Balance at beginning of half-year	**12,155,904**	
Expenditure incurred	**149,992**	
Expenditure written off	**(68,646)**	
Total deferred exploration expenditure	**12,237,250**	

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation or, alternatively, sale of the relevant areas of interest, at amounts at least equal to book value.

3. ISSUED CAPITAL

	31 December 2014 $	30 June 2014 $
Issued Capital		
Ordinary shares – fully paid	**18,774,150**	18,774,150
Movement in ordinary shares on issue	**Number**	**$**
(i) ***Ordinary shares – fully paid***		
Balance at beginning of half-year	118,336,717	18,774,150
Balance at end of half-year	118,336,717	18,774,150

4. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Board based on the phase of operation within the mining industry. For management purposes, the Group has organised its operations into two reportable segments on the basis of stage of development as follows:

- Development assets
- Exploration and evaluation assets, which includes assets that are associated with the determination and assessment of the existence of commercial economic reserves.

The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

During the half-year ended 31 December 2014, the Group had no development assets. The Board considers that it has only operated in one segment, being mineral exploration within Australia.

Where applicable, corporate costs, finance costs, interest revenue and foreign currency gains and losses are not allocated to segments as they are not considered part of the core operations of the segments and are managed on a Group basis.

The consolidated entity is domiciled in Australia. All revenue from external customers is generated from Australia only. Segment revenues are allocated based on the country in which the customer is located

Revenues of approximately Nil (2013: Nil) are derived from a single external customer.

5. DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period. (2013: Nil)

6. CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

7. EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods.

DIRECTORS' DECLARATION

In the opinion of the directors of Ventnor Resources Limited ('the company'):

1. The financial statements and notes thereto of the consolidated entity, as set out within this financial report, are in accordance with the *Corporations Act 2001* including:

   a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and

   b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year then ended.

2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.



Paul Boyatzis
Chairman

Perth, 6 March 2015

RSM Bird Cameron Partners

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF VENTNOR RESOURCES LIMITED

We have reviewed the accompanying half-year financial report of Ventnor Resources Limited which comprises the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, 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 half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Ventnor Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Major Offices in: Perth, Sydney, Melbourne, Adelaide and Canberra
ABN 36 965 185 036

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Ventnor Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ventnor Resources Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

RSM Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS

David Wall.

DAVID WALL
Partner

Perth, WA
Dated: 6 March 2015

RSM Bird Cameron Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Ventnor Resources Limited for the half-year ended 31 December 2014, 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 review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS

DAVID WALL
Partner

Perth, WA
Dated: 6 March 2015

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