Ventnor Resources Limited

22 April 2014

**ASX ANNOUNCEMENT**

# MARCH QUARTER ACTIVITY REPORT

Prior to the March 2014 quarter, on 4 December 2013 Australian base-metals company Ventnor Resources Limited (ASX: VRX) (**Ventnor** or **Company**) advised the market that the Company and Sandfire Resources NL (ASX: SFR) (**Sandfire**) had executed a landmark transaction (**Transaction**) designed to fast-track Ventnor's Thaduna/Green Dragon Copper Project (**Project**) into production while removing the need for Ventnor to raise additional funding for mine development.

The Thaduna/Green Dragon Project is located 40km east of DeGrussa and represents the largest copper resource in the Doolgunna District outside of Sandfire's DeGrussa-Doolgunna Project (7.9Mt @ 1.8% Cu for 142,000 tonnes of contained copper).

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 and during the March quarter Ventnor's technical personnel continued the transfer of all data generated in those three years to Sandfire. Included were RC chip samples, diamond core, assay results, metallurgical tests and details of proposed exploration programs such as the 10 shallow dipping (-35 degree) diamond holes to test an untested area below the existing historic Thaduna pit (see Ventnor's September 2013 quarterly activity report).

Sandfire is currently 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.

First phase activity by Sandfire at Thaduna includes;

- **validation of the existing JORC resource (7.9 million tonnes grading 1.8% copper for 142,000 tonnes of contained copper);**
- **an update to the structural model and targeting review;**
- **progessing a drill contract for shallow dipping (-35 degree) diamond holes below the existing historic Thaduna pit; and**
- **a program of metallurgical drilling and test work to allow discrimination of the oxide and transition zones mineralogy to define the correct processing methodology.**

## *ASX: VRX*

### *Capital Structure*

*Shares on Issue 118,336,717 million*

*Unlisted Options 3.3 million*

*Market Cap @ 5¢ $5.6 million (Fully Diluted)*

### *Corporate Directory*

***Paul Boyatzis***

*Non-Executive Chairman*

***Bruce Maluish***

*Managing Director*

***Peter Pawlowitsch***

*Non-Executive Director*

### *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*

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

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Sandfire has initially acquired the 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, and 29% (total 80%) for the third $3M. The second and third tranches will be spent as exploration and development expenditure 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 Transaction allowed the Company to form a joint venture with Sandfire and assess 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 removes the need for Ventnor to raise substantial finance (either equity or debt) and at the same time reduces 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 in excess of the earn-in amount from free cash flow. Ventnor is then free to receive what it expects will be a significant quarterly dividend from the Joint Venture.

## Exploration

No field work was conducted on other Company projects during the quarter under review.

## Corporate

On 24 February 2014 Ventnor Resources Ltd announced a renounceable pro rata offer to eligible shareholders with a registered address in Australia or New Zealand of approximately 47,334,687 fully paid ordinary shares on the basis of 2 new shares for every 3 existing shares held as at 5.00pm wst on the Record Date, 6 March 2014 at an issue price of 4.2c per new share to raise a maximum of approximately $1.99 million before costs. The Rights Issue was conditionally underwritten by Paterson's Securities Limited.

The Renounceable Rights Issue closed 31 March 2014 and shortfall shares allocated, with all new shares allotted on 3 April 2014.

Following the success of the Renounceable Rights Issue Ventnor is now debt free. The Company has repaid the $1m loan announced 20 November with sophisticated investors introduced by Paterson Securities Limited.

Due to the lack of activity in the junior resources market the board has been reduced to the Statutory requirement of three Directors with one resignation on 4 March 2014 and a reduction in technical personnel. The Directors have agreed to continue with the strategy of paying only 50% of the salaries and fees for Directors which was implemented in May 2013.

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# 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 |
| P52/1364 | Relinquished | 100 | (100) | - | - |
| P52/1182 | Relinquished | 100 | (100) | - | - |
| P52/1183 | Relinquished | 100 | (100) | - | - |
| P52/1242 | Granted | 100 | - | - | 100 |
| P52/1243 | Granted | 100 | - | - | 100 |
| P52/1244 | Granted | 100 | - | - | 100 |
| P52/1277 | Relinquished | 100 | (100) | - | - |
| P52/1278 | Relinquished | 100 | (100) | - | - |
| P52/1281 | Granted | 100 | - | - | 100 |
| P52/1282 | Granted | 100 | - | - | 100 |
| P52/1283 | Granted | 100 | - | - | 100 |
| E52/2681 | Relinquished | 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 |
| E52/2549 | Relinquished | 100 | (100) | - | - |

### Kumarina Project - Copper

| Tenement | Status | Interest at beginning of quarter (%) | Interests relinquished, reduced or lapsed (%) | Interests acquired or increased (%) | Interest at end of quarter (%) |
|---|---|---|---|---|---|
| E52/2754 | Relinquished | 100 | (100) | - | - |
| E52/2755 | Relinquished | 100 | (100) | - | - |
| E52/2756 | Relinquished | 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 (7.9Mt @ 1.8% Cu for 142,000 tonnes of contained copper).

Also in Western Australia, 40 km south of Newman, are the Warrawanda nickel project, and the extensive Kumarina Exploration Project, 200 km north of Meekatharra. 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.

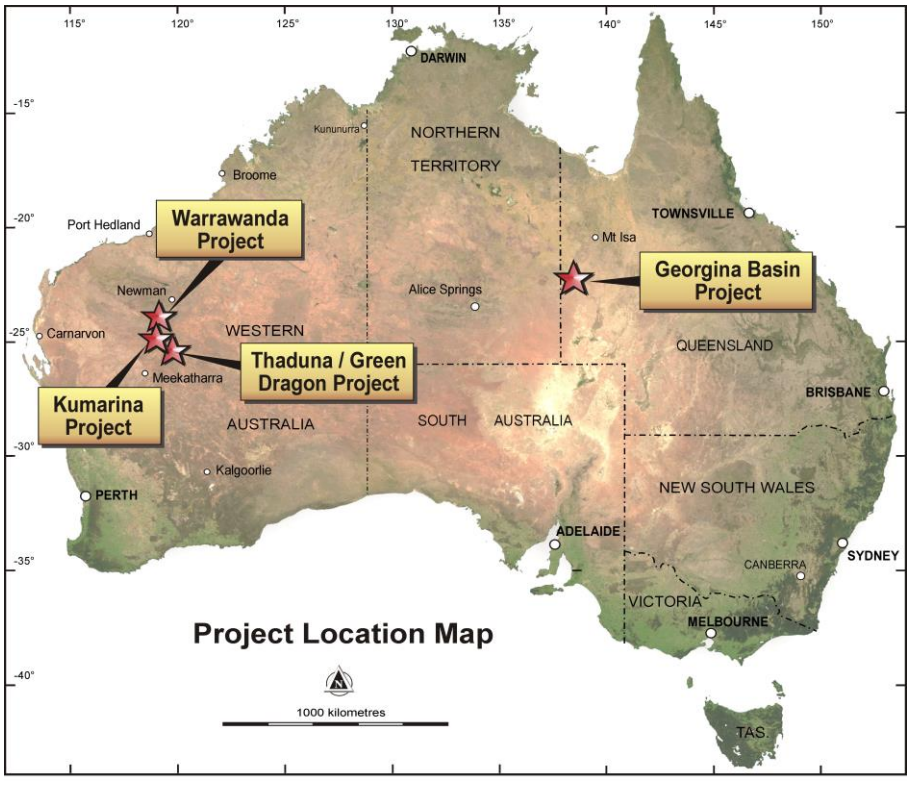
### Known Copper and Nickel Mineralisation

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 years. Further work is planned for early 2014. The HyMap survey at Kumarina has identified areas of interest that will be followed up with reconnaissance work in 2013 to be followed up with ground surveys in 2014.

### Proven Management

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

## PROJECT LOCATIONS




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