

Ventnor Resources Limited

ABN 59 142 014 873

ANNUAL REPORT

30 JUNE 2015

CORPORATE DIRECTORY

DIRECTORS

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AUSTRALIAN SECURITIES EXCHANGE

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

LETTER FROM THE BOARD OF DIRECTORS TO SHAREHOLDERS

Dear Shareholders

The past year has been a very difficult period for the resource sector and protracted talk on how challenging it is for junior explorers becoming tiresome for investors and companies alike and, unfortunately, self-fulfilling.

Regrettably this continued negative sentiment has made it increasingly difficult for listed junior Mining and Exploration Companies to raise the necessary capital to ensure the discovery of the mines for tomorrow.

A few years ago, as this environment commenced, your Board of Directors and management made two very important decisions in the interests of shareholders. Firstly the costs of running the Company were substantially reduced by cutting back on exploration activities, staff and payments to Directors. The second and most important decision was that of the Board to seek a Joint Venture partner with the financial capacity to take Ventnor's flagship Thaduna/Green Dragon Copper Project in the Doolgunna district of Western Australia through to production.

The terms of the Joint Venture with Sandfire Resources NL on the Thaduna/Green Dragon Copper Project have been often stated and will be covered in the following Activity Report, but can be summarised as:

> Under the terms of the JV Sandfire is managing the exploration and sole funding the development of the project to earn a maximum 80% interest in the project with all ore to be treated at C1 costs at Sandfire's state of the art treatment plant at DeGrussa 40km away.

For Ventnor shareholders the reality is that the Company will maintain a 20% interest in the project and have access to potential long term cash flows if and when Sandfire Resources NL moves to development and production of the Thaduna/Green Dragon Project, which would be a very attractive outcome in the present environment.

During this last year Ventnor seized an opportunity to diversify into precious metals exploration. On 21 August 2014 the Company applied for a new tenement adjacent to the Tropicana Gold Mine, *a project with in excess of 7 million ounces of gold in Resources.* ELA39/1828 comprises 42 graticular blocks and has within it the Black Dragon Gold Prospect.

The granting of the application 31 March 2015 provides Ventnor with a highly prospective gold focus at a time when the falling Australian dollar (as against the US dollar) makes the Australian dollar gold price quite attractive.

We have all heard that the Australian dollar is a proxy for commodities and as commodity prices have come off their highs so the Australian dollar has fallen. But this has had a positive effect for the industry. Consider the following;

When one considers that a US dollar copper price of $5,300 in the hands of an Australian copper producer and an Australian dollar at (say) 70c then this converts to approximately A$7,500 to the Australian copper producer.

Similarly, a US Dollar gold price of $1,100 in the hands of an Australian gold producer and an Australian dollar at (say) 70c then this converts to approximately A$1,550 to the Australian gold producer.

In a constantly changing business environment continued existence requires the right cost structures, progress requires the right projects and perhaps the appropriate partners. I am confident your board has these measures in place.

On behalf of the Board, I would like to thank all staff and contractors for their contribution to the continuing development of the Company. I would also like to thank our shareholders for their support. We have made considerable progress since listing, and we look forward to sharing further positive developments in the year ahead.



Paul Boyatzis
Chairman

EXPLORATION ACTIVITIES SUMMARY

Ventnor Resources Ltd (**Ventnor** or **the Company**) listed on the ASX on 24 February 2011 with a base-metals focus at the historic Thaduna/Green Dragon copper project located 170km north of Meekatharra in Western Australia.

In the 30 months following Ventnor's listing on the ASX the Company drilled more than 65,000 metres of RC and diamond core at the 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.

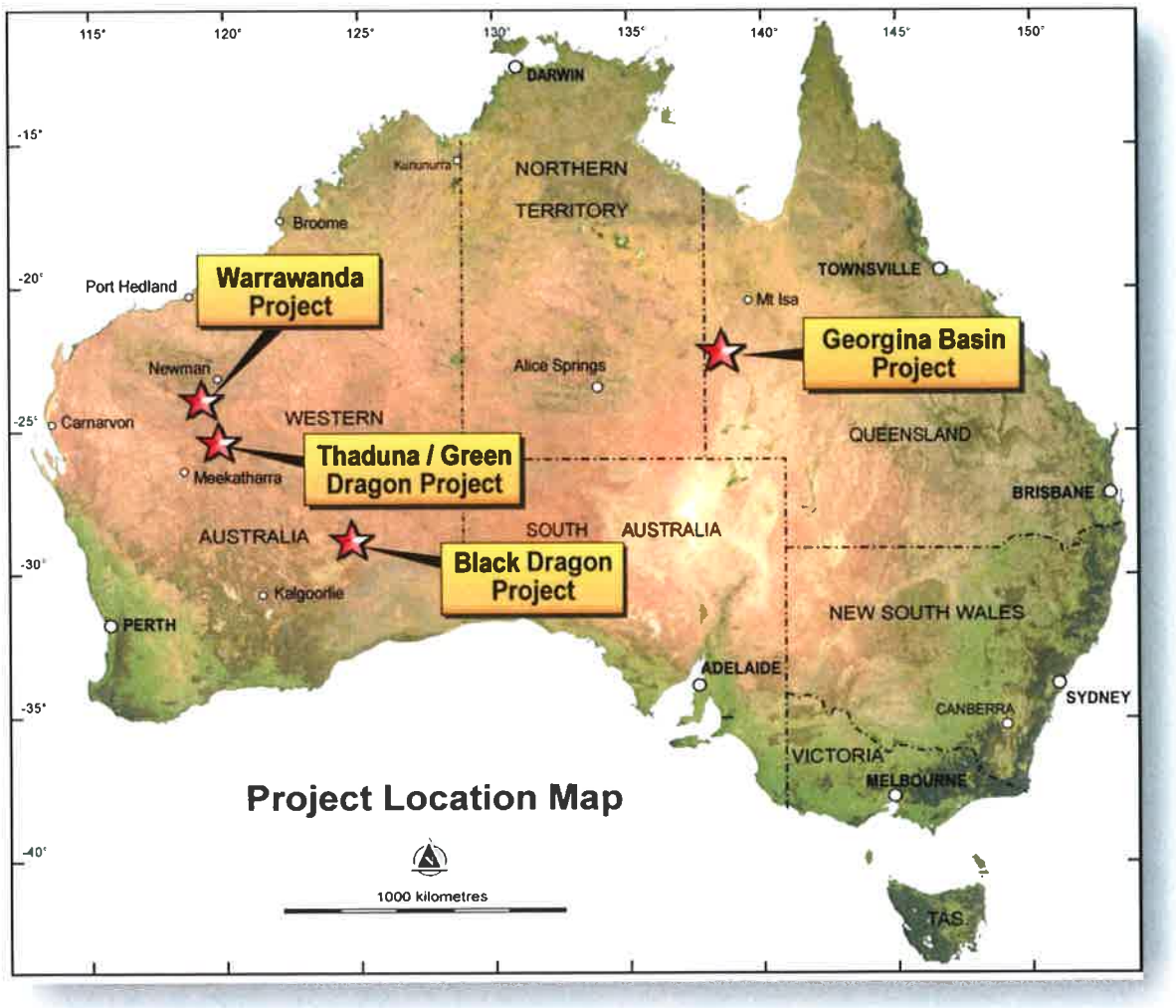
This removed the need for Ventnor to raise additional funding for mine development and enabled a fast-track to development while giving Ventnor a 20% free carried interest in the toll treatment of Thaduna Green Dragon ore at Sandfire's nearby DeGrussa operation.

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.

On 21 August 2014 the Company applied for a new tenement adjacent to the Tropicana Gold Mine and highly prospective for gold. ELA39/1828 comprises 42 graticular blocks and has within it the Black Dragon Gold Prospect.

The tenement is situated adjacent to the jointly owned Anglo Gold Ashanti/Independence Group Tropicana Gold mine and was a move designed to diversify Ventnor's focus on base metals to include precious metals.

The granting of the application 31 March 2015 provides Ventnor with a highly prospective gold focus at a time when the falling Australian dollar (as against the US dollar) makes the Australian dollar gold price quite attractive.



EXPLORATION

Black Dragon Gold Project – Tenement Granted

During the 2014 year (on 21 August 2014) the Company applied for ELA39/1828 comprising 42 graticular blocks situated adjacent to the jointly owned Anglo Gold Ashanti/Independence Group Tropicana Gold mine and containing the Black Dragon Prospect.

Ventnor was attracted to ELA39/1828 because its location adjacent to the Tropicana Gold Mine made it a highly prospective gold project. On 31 March 2015 the application was granted and Ventnor has designated E39/1828 the Black Dragon Gold Project (or Black Dragon).

Black Dragon is located 370 kilometres north-east of Kalgoorlie and 22 kilometres north-east of AngloGold Ashanti (70%) and Independence Group's (30%)Tropicana Gold mine, a project with in excess of 7 million ounces of gold in Resources.

E39/1828 has been the subject of recent exploration and since the grant date Ventnor has undertaken a review of the available data and conducted a field trip to confirm selected exploration results.

During the June quarter Ventnor announced the results of initial field work which mapped and sampled outcropping quartz veins and indicated very high grade gold rock chip assays.

Assays on the rock chips resulted in high-grade results for gold, silver and tellurium.

These include:

- **BD016 64 g/t Au, 38 g/t Ag, 7 ppm Te**
- **BD100 568 g/t Au, 585 g/t Ag, 462 ppm Te**
- **BD101 213 g/t Au, 304 g/t Ag, 219 ppm Te**
- **BD102 70 g/t Au, 143 g/t Ag, 87 ppm Te**
- **BD103 626 g/t Au, 154 g/t Ag, 651 ppm Te**

The association of silver and telerrium with bonanza gold grades indicates the potential for an epithermal gold system. These sort of epithermal systems are well known throughout the world, including Kalgoorlie's Golden Mile and Pajingo in Australia, and projects like Emperor in Fiji and Porgera in Papua New Guinea which have a history of exceptional grades.

The initial drilling program was designed to test the potential for a new style of mineralisation in this exciting gold region. In the meantime mapping and additional surface sampling were undertaken in order to confirm the models and targets as well as other identified quartz outcrops in the immediate area.

REGIONAL GEOLOGY

The Black Dragon project tenure is located in the northern portion of the Albany-Fraser Orogen, a tectonic belt that exists on the southern margin of the Archean Yilgarn Craton and hosts the world-class Tropicana gold deposit. The belt is divided into a number of fault bound lithological zones, comprising gneisses, amphibolite to granulite metamorphic facies with reworked Archean and Proterozoic rocks, and granitoids.

The main lithological domains are the Mckay Creek Metasyenogranite on the western half of the lease and the Proterozoic Biranup Zone on the eastern side. The Mckay Creek Metasyenogranite is a metasyenogranite mingled with metagabbro and includes intrusions of the Bobbie Point metasyenogranite and remnants of the Voodoo Child Formation and Tropicana Gneiss. The Biranup Zone is a metagranite and meta syenogranite group of intrusives ranging in composition from syenite to diorite, mingled with gabbroic rocks, hybrid rocks and remnants of Archean rocks and younger gabbroic rocks.

PROSPECT GEOLOGY

The area of subcrop is surrounded by colluvium and wind-blown sand that obscures any additional subcrop.

Ventnor has confirmed the historical high-grade rock chip results with 32 samples taken with 15 samples greater than 1 g/t Au with a peak value of 626 g/t and 11 samples greater than 10 g/t Au. Gold mineralisation is associated with quartz veining, hematite breccia and iron rich sheared basement schist and gneiss.

Veining is variable in geometry from 30cm to 2 metres wide with strike in outcrop observed from 10 metres to 30 metres. Multiple mineralised veins are observed with a principal orientation of 060 degrees and also at 350 to 010 degrees.

The limited historical drilling to date has failed to explain the surface gold anomalism, or provide information on the orientation, genesis or basement source for the mineralisation.

The results of the initial sampling at the Black Dragon project were announced to the Australian Securities Exchange 28 April 2015.

Sample ID	Au Av	Description
BD001	28.0	laminated grey vein quartz +hematite breccia
BD002	0.8	vein quartz + hematite
BD003	0.1	laminated white vein quartz
BD004	25.9	laminated white vein quartz
BD005	0.1	grey vein quartz
BD007	0.2	red saprock schist
BD008	4.9	rose vein quartz
BD009	0.1	white saprock schist
BD010	0.2	Hematite rich saprock
BD011	0.1	laminated white vein quartz
BD012	0.0	laminated white vein quartz +mica schist
BD013	0.0	white vein quartz
BD015	2.2	white vein quartz
BD016	63.8	laminated white-rose vein quartz
BD017	10.0	red jasper +hematite veining
BD018	1.3	grey vein quartz
BD019	0.1	white vein quartz
BD100	568	Hematite rich quartz vein (visible Au)
BD101	213	Hematite rich quartz vein
BD102	70.1	Hematite rich quartz vein (visible Au)
BD103	626	Hematite rich quartz vein (visible Au)
BD104	0.6	white-rose vein quartz
BD105	0.2	foliated saprolitic gneiss
BD106	13.6	vein quartz
BD107	0.1	massive saprock
BD108	0.2	white-grey vein quartz
BD109	2.6	Goethite rich saprock
BD110	0.3	Goethite rich saprock
BD111	15.2	rose vein quartz
BD112	0.1	white vein quartz + saprock
BD113	0.1	saprock + milky white quartz
BD114	10.8	rose vein quartz visible Au

The results of the multi-element analyses were announced to the Australian Securities Exchange 28 May 2015 and are presented in the following tables and figures.

Sample ID	Au Av ppm	Ag ppm	Ba ppm	Te ppm	S ppm
BD103	626.4	154.4	264	651	638
BD100	568.5	585	1068	462	845
BD101	213.0	304.4	573	219	1740
BD102	70.1	143.4	311	87	319
BD016	63.8	37.9	206	67	224
BD001	28.0	6.1	753	46	589
BD004	25.9	22.1	257	57	265
BD111	15.2	5.2	33	6	114
BD106	13.6	3.9	84	15	67
BD114	10.8	2.5	283	17	105
BD017	10.0	X	349	7	428
BD008	4.9	3.3	45	X	59
BD109	2.6	1.2	1025	6	626
BD015	2.2	2	42	X	0
BD018	1.3	0.5	233	X	75
BD002	0.8	X	3317	X	1263
BD104	0.6	1.5	90	X	0
BD110	0.3	X	1055	X	850

Ore Grade (>0.3g/t Au) gold with associated elements. Assays ranked by Au results.

The results given in the table indicate the sampling covers a Au-Ag-Te-Ba system that is unlike the Tropicana deposit. Additional work is required to understand the genesis and ore body style at Black Dragon, however the bonanza gold-silver-tellurium grades may be indicative of low temperature hydrothermal processes either in the epithermal or deeper hydrothermal setting.

Telluride orebodies are found elsewhere in WA and include the Oroya, Lake View-Consuls and Croesus lodes which have given 20% of the gold from the world famous Golden Mile in Kalgoorlie. Major gold-telluride deposits are well reported elsewhere in the world (Pajingo and Cracow in Queensland, Cripple Creek in Colorado, 24Moz district, Golden Sunlight and Zortman-Landusky in Montana, 4.1Moz, Emperor in Fiji, 10Moz and Porgera in Papua New-Guinea, 10Moz).

It is too early to determine the scale of mineralisation at Black Dragon but the potential grades in such a structure and the fact that these mineralisation types occur in complex systems of veins, breccias and disseminations makes exploration of this area a high priority with the opportunity to add significant gold resources with bonanza grades.

Thaduna Green Dragon JV – Copper

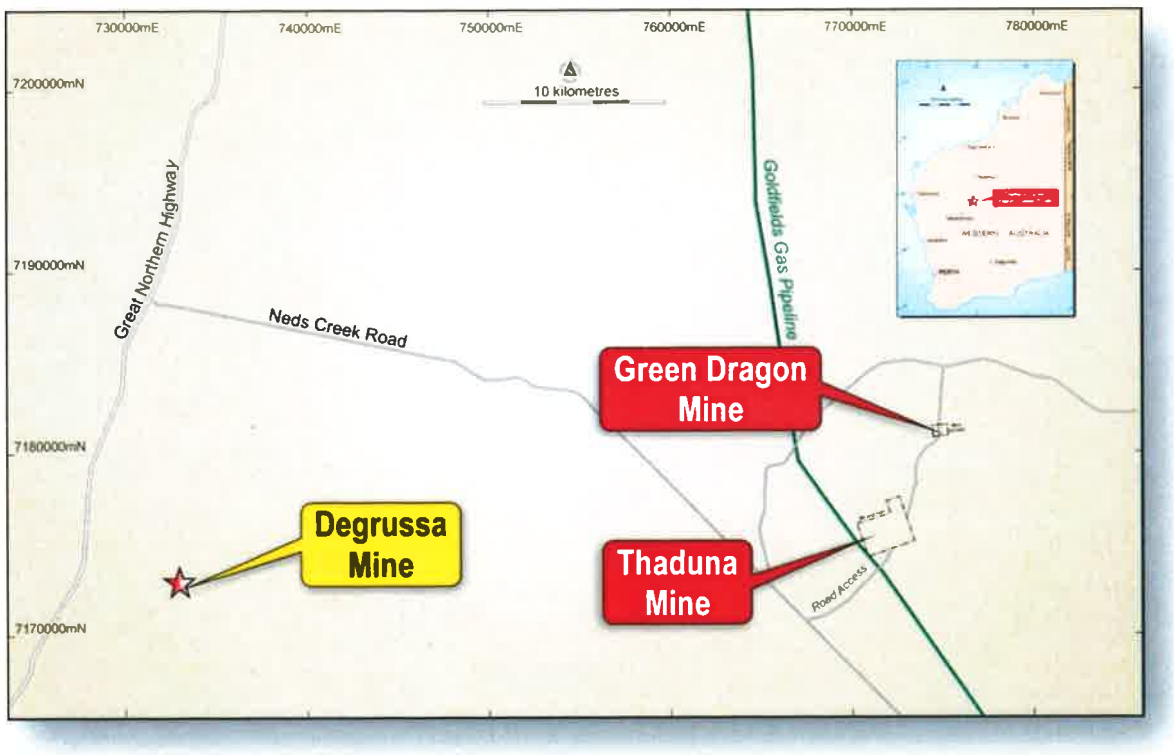
Sandfire Farm-In and Joint Venture

On 4 December 2013 Ventnor entered a JV agreement with Sandfire Resources NL (**Sandfire**) on the historic Thaduna/Green Dragon copper project located 170km north of Meekatharra in Western Australia. At that date Sandfire acquired a 35% interest in the project and management of the JV. Sandfire currently has an exploration spend obligation on the tenements in order to satisfy the second tranche requirements to move to a 51% interest in the JV.

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.

Sandfire announced in their June 2015 quarterly that work during the quarter focused on the planning and preparation of a drilling program focused on increasing the understanding of the plunge controls within and around the current resource. This program is to be conducted during the September quarter 2015. This work will be undertaken in line with the Ventnor Resources JV agreement, with the aim of reviewing the Resource and Scoping Study at the completion of drilling.



Rationale of the Sandfire Farm-In and Joint Venture

The main considerations by the Ventnor Board that underpinned the decision to enter the Sandfire JV agreement were to satisfy the key objectives of seeking to deliver maximum future value and minimise dilution for shareholders. After much consideration it was determined that these objectives could be best achieved 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.

The JV will expedite the 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 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.

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 to 30 June 2015

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;
- Eight drill holes for 935 metres with PQ sized core;

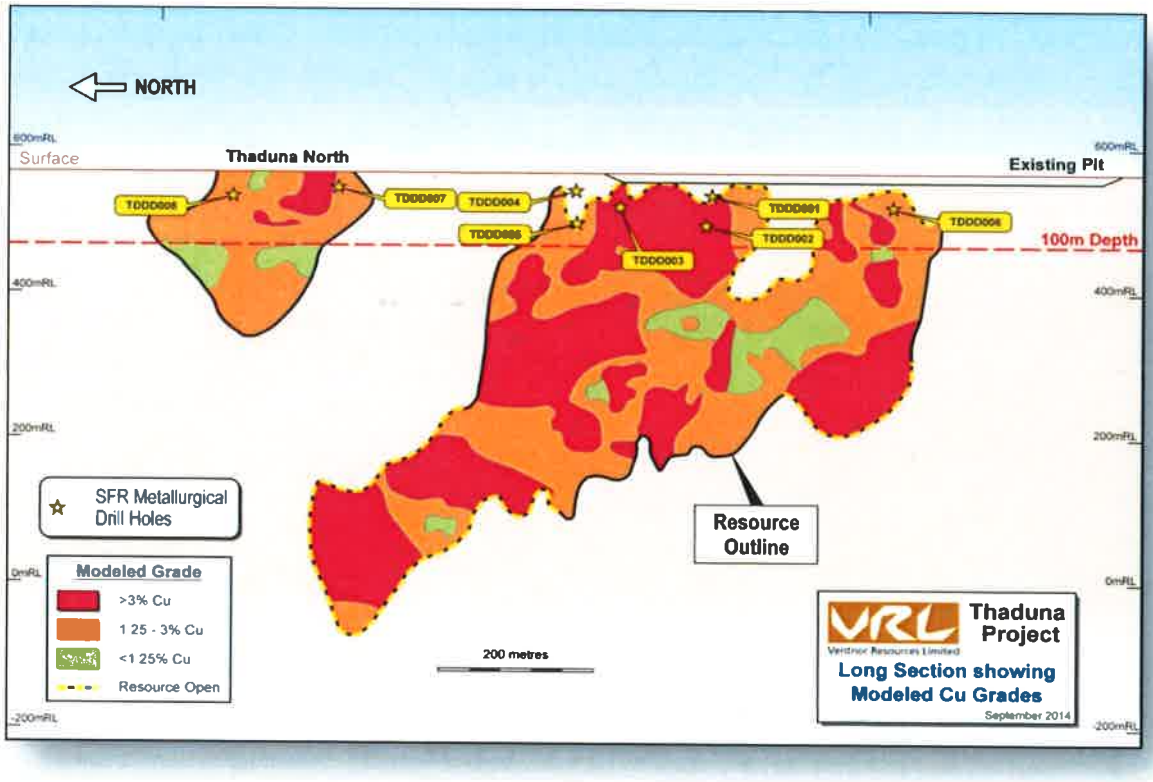
- Drilling taking approximately three weeks; **and**
- Metallurgical testwork program subject to mineralisation encountered in an expected transition zone.

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.

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.

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

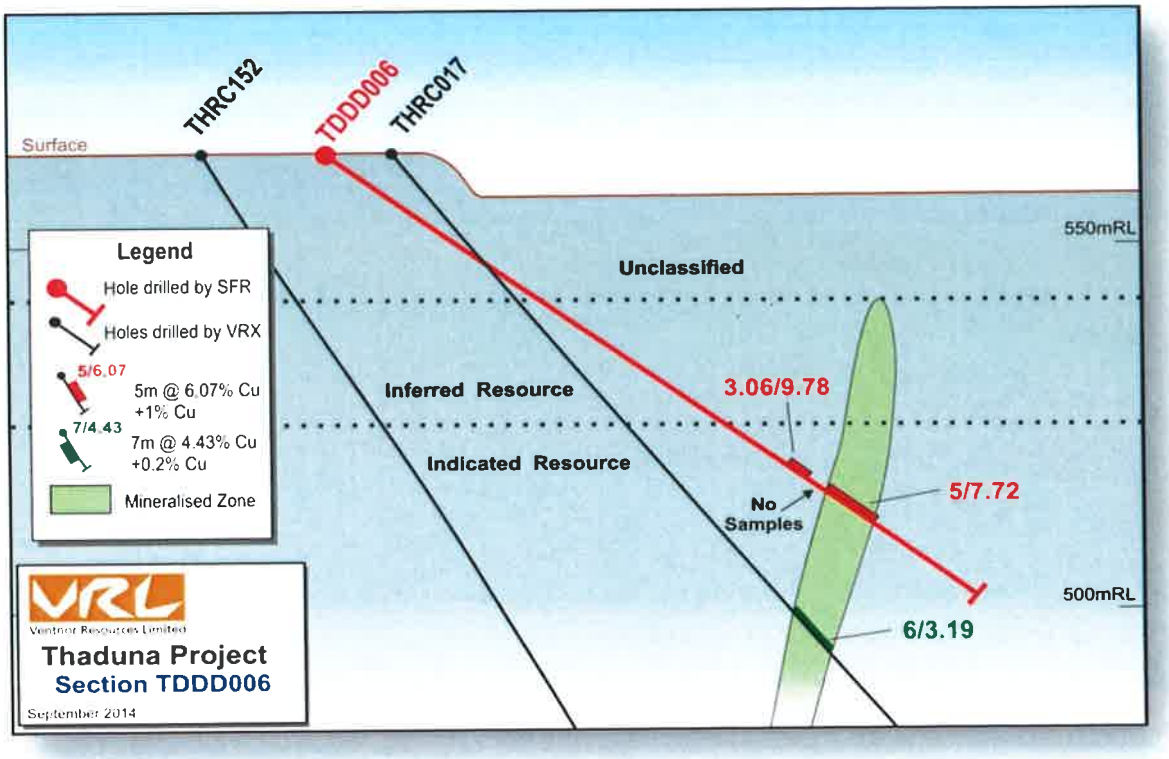
Hole Id	Easting	Northing	Az	Dip	From	To	DH m	Samp. m	TW m	Cu %	Ag ppm	Type
TDDD001	772702	7176032	58	-37	77.80	86.50	8.70	7.70	7.08	3.20	8.6	
							incl.	**5.20**	**4.78**	**4.15**	**12.3**	**PQ**
							incl.	2.50	2.30	1.22	0.8	
TDDD002	772701	7176032	63	-51	No samples submitted for TDDD002							PQ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



The cross section presenting the drilling of **TDDD006** is shown above 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 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 has confirmed the conclusion reached by Ventnor from their work conducted that the resource does not contain sufficient quantities of oxide ore to warrant transport and treatment at the proposed DeGrussa oxide processing 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 sulphide 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.

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

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 2015 year 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

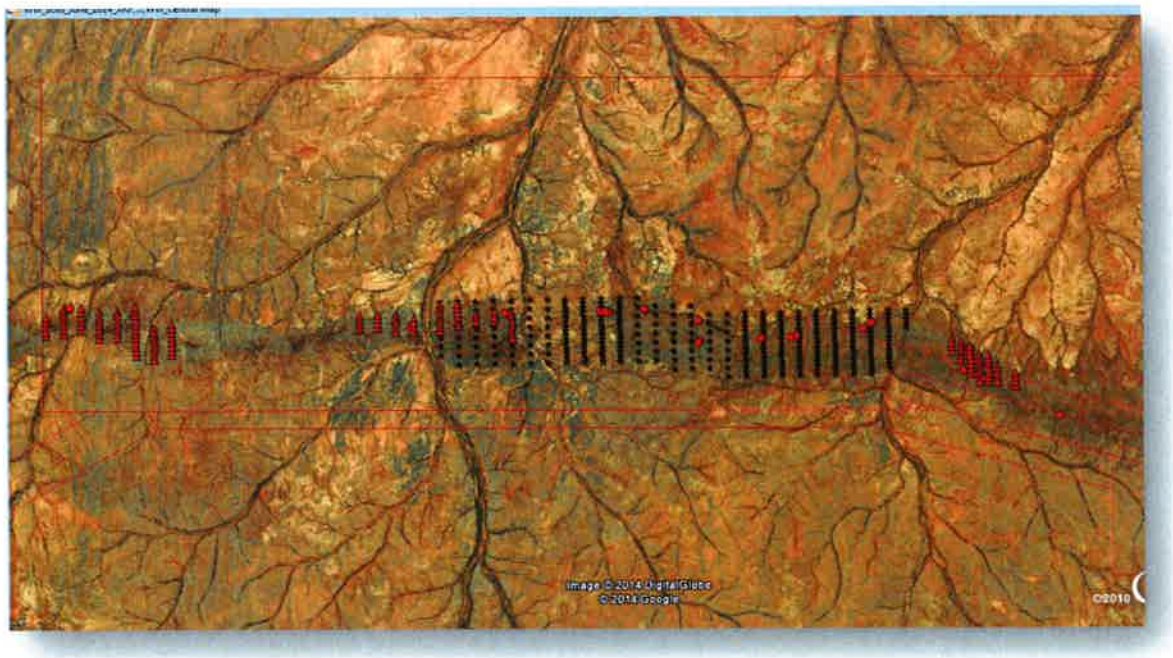
In June 2014 an on ground geological field survey was undertaken with the expressed purpose of achieving the following from selected anomalous areas;

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

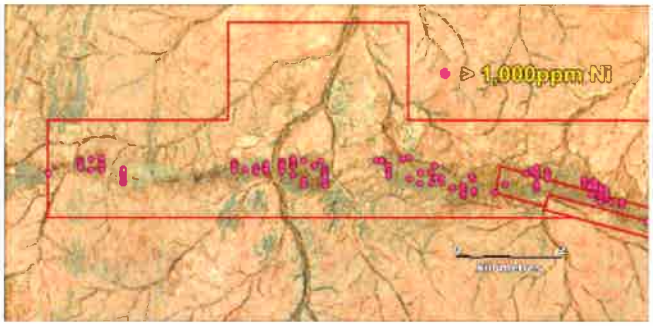
A total of 144 soils and 49 rock chip samples were collected and analysed with a hand portable xrf, see image below for the areas that have been sampled.

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

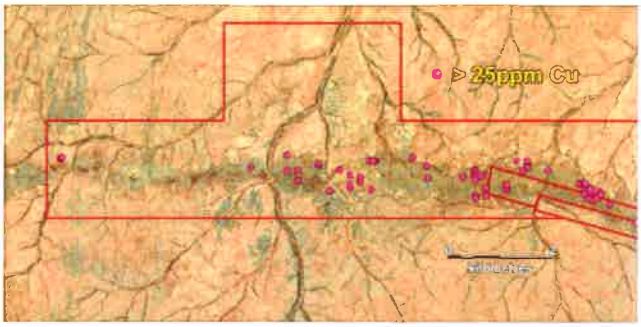
Work completed to date has increased understanding of the geologic environment of the Warrawanda project area and has confirmed the potential for the presence of nickel sulphides.



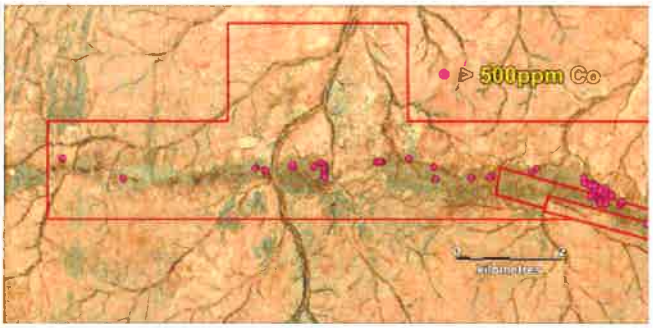
The assays from the June 2014 field trip have been combined with prior data and present a compelling exploration target with co-incident base metals anomalies.



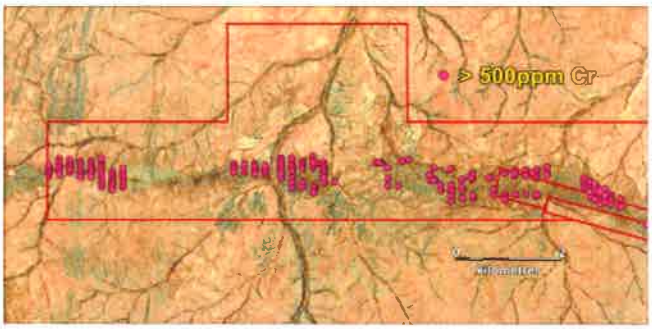
Nickel occurrences > 1000ppm Ni



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. An emissivity survey was conducted over the region with highlighted anomalous methane occurrences which warrant further evaluation. 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 June 2015 Ventnor completed a capital raising to conduct an initial RC drilling campaign at the Company's Black Dragon Gold Project.

The shares were placed to Sophisticated and Professional Investors under Listing Rules 7.1 and 7.1A, and shareholder approval will not be sought for the issue.

The Company placed 19,260,388 fully paid ordinary shares at 3.1 cents to raise $597,072 with a one for two attaching unlisted two year option with an exercise price of 7 cents.

EVENTS SUBSEQUENT TO THE PERIOD

On 16 July 2015 Ventnor made an ASX announcement advising the market that the Program of Work (POW) that had been submitted for the initial drilling program at the Black Dragon Gold Project had been approved.

On 11 August 2015 Ventnor advised the market by ASX announcement that the initial RC drilling program had commenced at the Black Dragon Gold Project.

Ventnor made an ASX announcement 3 September advising the market that 33 RC drill holes had been completed at Black Dragon for a total of 2,492 metres at an average depth of 50 metres. The Company was awaiting assay results at the time of the announcement but was able to advise that there was visible gold and silver in 12 out of 15 samples that were panned.

DIRECTORS REPORT

Your directors present their report on the company and its controlled entities for the year ended 30 June 2015.

DIRECTORS

The names of the directors of the company in office during the financial year and up to the date of this report are as follows:

Paul Boyatzis
Bruce Maluish
Peter Pawlowitsch

Directors were in office from the beginning of the financial year until the date of this report unless otherwise stated.

The particulars of the qualifications, experience and special responsibilities of each director are as follows:

Paul Boyatzis, B Bus, ASA, MSDIA, CPA – Non-Executive Chairman

Mr Boyatzis has over 25 years experience in the investment and equity markets and an extensive working knowledge of public companies. He has assisted many emerging companies raise funds both locally and from overseas institutional investors.

Mr Boyatzis is a current member of the Australian Institute of Company Directors, the Securities and Derivative Industry Association and a member of the Certified Practising Accountants of Australia.

Director since 24 September 2010.

During the past three years Mr Boyatzis has held the following other listed company directorships:

- Nexus Minerals Ltd (formerly Hemisphere Resources Ltd) – 6 October 2006 to present
- Aruma Resources Ltd – 5 January 2010 to present
- Transaction Solutions International Ltd – 23 February 2010 to present

Bruce Maluish, BSc (Surv), Dip Met Min – Managing Director

Mr Maluish has more than 30 years' experience in the mining industry with numerous roles as Managing Director and General Manager with companies such as the Monarch Group of Companies, Matilda Minerals, Abelle, Hill 50 and Forsyth Mining, while mining a variety of commodities from gold, nickel and mineral sands from both open pits and underground.

His management and administrative experience includes the set up and marketing of IPOs, from commencement of exploration to full production, to the identification, development and expansion of projects including mergers and acquisitions.

His international experience includes identification of projects and negotiations with clients in Asian markets.

His qualifications include credentials in Surveying, Mining, Project Planning and Finance

Director since 24 September 2010.

During the past three years Mr Maluish has held the following other listed company directorships:

- Nexus Minerals Ltd (formerly Hemisphere Resources Ltd) – 1 July 2015 to present

Peter Pawlowitsch, B.Com, MBA, CPA – Non-Executive Director

Mr Pawlowitsch holds a Bachelor of Commerce from the University of Western Australia, is a member of the Certified Practising Accountants of Australia and holds a Masters of Business Administration from Curtin University.

These qualifications have underpinned more than 10 years experience in the accounting profession and more recently in business management and the evaluation of businesses and mining projects.

Director since 12 February 2010.

During the past three years Mr Pawlowitsch has held the following other listed company directorships:

- Dubber Corporation Limited (formerly Crucible Gold Limited) – 26 September 2011 to present
- Kunene Resources Limited – 30 January 2012 to present
- Knosys Limited – 16 March 2015 to present

Interests in the shares and options of the company and related bodies corporate

As at the date of this report, the interests of the directors (direct and indirect) in the shares and options of Ventnor Resources Limited were:

Paul Boyatzis
- 1,500,000 ordinary fully paid shares
- 500,000 options expiring 2 December 2017, exercisable at 5.5 cents each

Bruce Maluish
- 6,053,810 ordinary fully paid shares
- 1,000,000 options expiring 2 December 2017, exercisable at 5.5 cents each

Peter Pawlowitsch
- 2,671,667 ordinary fully paid shares
- 500,000 options expiring 2 December 2017, exercisable at 5.5 cents each

COMPANY SECRETARY

John Geary, B.Bus, Grad Dip Acctg, Grad Dip Adv Taxation

Mr Geary has forty years experience in the mineral exploration industry in Australia and overseas. His experience includes prospecting and the evaluation, acquisition, maintenance and compliance requirements associated with mining tenements.

He has been actively engaged in the planning and implementation of many exploration programmes and his experience as a contract driller has enabled him to recognise and identify potential resource value.

He has been involved in the promotion, prospectus preparation and listing of a number of exploration companies (IPO's) on the Australian Securities Exchange. He has held the position of Executive Director and Company Secretary for a number of ASX listed exploration companies in recent years.

CORPORATE INFORMATION

Corporate Structure

Ventnor Resources Limited is a limited liability company that is incorporate and domiciled in Australia. Ventnor Resources Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year as follows:

Ventnor Resources Ltd	-	parent entity
Ventnor Kumarina Pty Ltd	-	100% owned controlled entity
Ventnor Mining Pty Ltd	-	100% owned controlled entity
Ventnor Pilbara Pty Ltd	-	100% owned controlled entity
Delgare Pty Ltd	-	100% owned controlled entity
Ventnor Gold Pty Ltd (formerly Delgare NT Pty Ltd	-	100% owned controlled entity

Nature of Operations and Principal Activities

The principal continuing activities during the year of entities within the consolidated entity was mineral exploration.

OPERATING AND FINANCIAL REVIEW

Review of Operations

A review of operations for the financial year and the results of those operations is contained within the company review.

Operating Results

Consolidated loss after income tax for the financial year was $863,297 (2014: $2,211,821).

Financial Position

At 30 June 2015, the Group had net asset of $13,168,230 (2014: $13,378,544) with cash reserves of $1,027,759.

Financing and Investing Activities

The company issued the following securities during the year:

- 19,260,388 ordinary fully paid shares by placement at an issue price of 3.1 cents each, raising $597,072.

Dividends

No dividends were paid during the year and no recommendation is made as to dividends.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the company during the financial year are detailed in the company review.

In the opinion of the directors, there were no other significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or in the financial report.

EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen, since the end of the financial year, which significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years, other than outlined in the company review which is contained in this Annual Report:

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The company will continue to pursue its principal activity of exploration and evaluation, particularly in respect to the Projects as more particularly outlined in the company review. The company will also continue to pursue other potential investment opportunities to enhance shareholder value.

MEETINGS OF DIRECTORS

The numbers of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Board of Directors	
	Number eligible to attend	**Number attended**
P Boyatzis	4	4
B Maluish	4	4
P Pawlowitsch	4	4

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director and executive of Ventnor Resources Limited. The information provided in the remuneration report includes remuneration disclosures that are audited as required by section 308(3C) of the Corporations Act 2001.

For the purposes of this report Key Management Personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes five executives in the parent group receiving the highest remuneration.

For the purposes of this report the term "executive" includes those key management personnel who are not directors of the parent company.

Remuneration Committee

The full Board carries out the role and responsibilities of the Remuneration Committee and is responsible for determining and reviewing the compensation arrangements for the Directors themselves, the Managing Director and any Executives.

Executive remuneration is reviewed annually having regard to individual and business performance, relevant comparative remuneration and internal and independent external advice.

The remuneration report is set out under the following main headings:

- Remuneration policy
- Remuneration structure
- Employment contracts of directors and senior executives
- Details of remuneration for year
- Compensation options to key management personnel
- Shares issued to key management personnel on exercise of compensation options
- Additional disclosures relating to key management personnel

A. Remuneration policy

The board policy is to remunerate directors at market rates for time, commitment and responsibilities. The board determines payments to the directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of directors' fees that can be paid is subject to approval by shareholders in general meeting, from time to time. Fees for non-executive directors are not linked to the performance of the consolidated entity. However, to align directors' interests with shareholders interests, the directors are encouraged to hold shares in the company.

The company's aim is to remunerate at a level that will attract and retain high-calibre directors and employees. Company officers and directors are remunerated to a level consistent with the size of the company.

The executive directors and full time executives receive a superannuation guarantee contribution required by the government, which is currently 9.50%, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the company and expensed.

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

The Company did not pay any performance-based component of remuneration during the year.

B. Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive compensation is separate and distinct.

Non-executive Director Compensation

Objective

The Board seeks to set aggregate compensation at a level that provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination approved by shareholders was an aggregate compensation of $250,000 per year.

The amount of aggregate compensation sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Non-Executive Directors' remuneration may include an incentive portion consisting of options, as considered appropriate by the Board, which may be subject to Shareholder approval in accordance with ASX listing rules.

Separate from their duties as Directors, the Non-Executive Directors undertake work for the Company directly related to the evaluation and implementation of various business opportunities, including mineral exploration/evaluation and new business ventures, for which they receive a daily rate. These payments are made pursuant to individual agreement with the non-executive Directors and are not taken into account when determining their aggregate remuneration levels.

Executive Compensation

Objective

The entity aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the entity so as to:

- reward executives for company and individual performance against targets set by appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link rewards with the strategic goals and performance of the company; and
- ensure total compensation is competitive by market standards.

Structure
In determining the level and make-up of executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Due to the limited size of the Company and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles.

Remuneration consists of a fixed remuneration and a long term incentive portion as considered appropriate.

Compensation may consist of the following key elements:
- Fixed Compensation;
- Variable Compensation;
- Short Term Incentive (STI); and
- Long Term Incentive (LTI).

Fixed Remuneration
The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Board having regard to the Company and individual performance, relevant comparable remuneration in the mining exploration sector and external advice.

The fixed remuneration is a base salary or monthly consulting fee.

Variable Pay — Long Term Incentives
The objective of long term incentives is to reward directors/executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. The incentive portion is payable based upon attainment of objectives related to the director's/executive's job responsibilities. The objectives vary, but all are targeted to relate directly to the Company's business and financial performance and thus to shareholder value.

Long term incentives (LTI's) granted to directors/ executives are delivered in the form of options.

LTI grants to Executives are delivered in the form of employee share options. These options are issued at an exercise price determined by the Board at the time of issue. The employee share options generally vest over a selected period.

The objective of the granting of options is to reward Executives in a manner which aligns the element of remuneration with the creation of shareholder wealth. As such LTI's are made to Executives who are able to influence the generation of shareholder wealth and thus have an impact on the Company's performance.

The level of LTI granted is, in turn, dependent on the Company's recent share price performance, the seniority of the Executive, and the responsibilities the Executive assumes in the Company.

Typically, the grant of LTIs occurs at the commencement of employment or in the event that the individual receives a promotion and, as such, is not subsequently affected by the individual's performance over time.

C. Employment contracts of directors and senior executives

The employment arrangements of the directors are not formalised in a contract of employment.

D. Details of remuneration for year

Directors
The following persons were directors of Ventnor Resources Limited during the current and previous financial years:

Paul Boyatzis	Chairman (non-executive)
Bruce Maluish	Director (executive)
Peter Pawlowitsch	Director (non-executive)
John Geary	Director (executive) – resigned 4 March 2014

There were no other persons that fulfilled the role of a key management person, other than those disclosed as Executive Directors.

Remuneration
Details of the remuneration of each Director and named executive officer of the company, including their personally-related entities, during the year was as follows:

		Short Term Benefits	Post Employment	Share Based Payments		
	Year	Salary and fees $	Superannuation $	Options $	Total $	Remuneration consisting of options during the year %
Directors						
P Boyatzis	**2015**	**30,000**	-	**15,650**	**45,650**	**34%**
	2014	47,500	-	-	47,500	0%
B Maluish	**2015**	**100,000**	**9,500**	**31,300**	**140,800**	**22%**
	2014	170,833	15,802	-	186,635	0%
P Pawlowitsch	**2015**	**20,000**	-	**15,650**	**35,650**	**44%**
	2014	28,333	-	-	28,333	0%
J Geary (resigned 4/03/2014)	2014	126,667	-	-	126,667	0%
Total	**2015**	**150,000**	**9,500**	**62,600**	**222,100**	**28%**
	2014	373,333	15,802	-	389,135	0%

There were no performance related payments made during the year. Performance hurdles are not attached to remuneration options, however the Board determines appropriate vesting periods to provide rewards over a period of time to key management personnel.

E. Compensation options to key management personnel

The following options were granted as equity compensation benefits to Directors and Executives. The options were issued free of charge. Each option entitles the holder to subscribe for one fully paid ordinary share in the Company at various exercise prices with various expiry dates.

Director	No. vested during the year	Number granted	Grant date	Value per option at grant date $	Exercise price $	First exercise date	Last exercise date
P Boyatzis	500,000	500,000	6/11/2014	$0.0313	$0.055	2/12/2014	2/12/2017
B Maluish	1,000,000	1,000,000	6/11/2014	$0.0313	$0.055	2/12/2014	2/12/2017
P Pawlowitsch	500,000	500,000	6/11/2014	$0.0313	$0.055	2/12/2014	2/12/2017
Total	2,000,000	2,000,000					

F. Shares issued to key management personnel on exercise of compensation options

No shares were issued to Directors and Executives on exercise of compensation options during the year.

G. Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance 01/07/14	Received as Remuneration	Options Exercised	Acquired/ (disposed)	Net Change Other	Balance 30/06/15
Directors						
Paul Boyatzis	1,500,000	-	-	-	-	1,500,000
Bruce Maluish	6,053,810	-	-	-	-	6,053,810
Peter Pawlowitsch	2,671,667	-	-	-	-	2,671,667

Option Holding
The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance 01/07/14	Received as Remuneration	Options Exercised	Options Expired	Net Change Other	Balance 30/06/15	Number vested and exercisable
Directors							
Paul Boyatzis	300,000	500,000	-	(300,000)	-	500,000	500,000
Bruce Maluish	800,000	1,000,000	-	(800,000)	-	1,000,000	1,000,000
Peter Pawlowitsch	300,000	500,000	-	(300,000)	-	500,000	500,000

H. Other transactions with key management personnel

During the year, the Company subleased office space for $17,482 to Dubber Corporation Limited (formerly Crucible Gold Limited) and $28,531 to Kunene Resources Limited. Mr Peter Pawlowitsch, a director of the Company is also a director of Dubber Corporation Limited and Kunene Resources Limited.

THIS CONCLUDES THE REMUNERATION REPORT, WHICH HAS BEEN AUDITED.

INSURANCE OF OFFICERS

The Company has in place an insurance policy insuring Directors and Officers of the Company against any liability arising from a claim brought by a third party against the Company or its Directors and officers, and against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a Director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

In accordance with a confidentiality clause under the insurance policy, the amount of the premium paid to the insurers has not been disclosed. This is permitted under Section 300(9) of the Corporations Act 2001.

INDEMNITY AND INSURANCE OF AUDITOR

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

SHARE OPTIONS

At the date of this report there were the following unissued ordinary shares for which options were outstanding:

- 500,000 options expiring 6 December 2016, exercisable at 15.48 cents each
- 9,630,194 options expiring 30 June 2017, exercisable at 7 cents each
- 2,750,000 options expiring 2 December 2017, exercisable at 5.5 cents each

During the year options were issued as follows:

- 2,750,000 options expiring 2 December 2017, exercisable at 5.5 cents each
- 9,630,194 options expiring 30 June 2017, exercisable at 7 cents each

During the year the following options expired:

- 2,000,000 options exercisable at 26 cents each, expired on 12 August 2014
- 550,000 options exercisable at 80 cents each, expired on 20 January 2015

Subsequent to year end and up to the date of this report, no other options have been issued or exercised and no options have expired.

No person entitled to exercise these options had or has any right, by virtue of the option, to participate in any share issue of any other body corporate.

LEGAL PROCEEDINGS

The company was not a party to any legal proceedings during the year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

ENVIRONMENTAL REGULATIONS

The company is not currently subject to any specific environmental regulation. There have not been any known significant breaches of any environmental regulations during the year under review and up until the date of this report.

CORPORATE GOVERNANCE

Under ASX Listing Rule 4.10.3 the Company's Corporate Governance Statement can be located at the URL on the Company's website being: : http://www.ventnorresources.com.au/downloads.html

AUDITOR

RSM Bird Cameron Partners continues in office in accordance with Section 327 of the Corporations Act 2001.

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 4 to the financial statements. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the year ended 30 June 2015, as required under section 307C of the Corporations Act 2001, has been received and is included within the financial report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.



Paul Boyatzis
Chairman
Perth, 30 September 2015

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Revenue	2(a)	**61,135**	232,875
Exploration and evaluation expenditure		**(263,029)**	(1,094,603)
Depreciation		**(38,024)**	(50,572)
Directors' fees and benefits expense		**(159,500)**	(389,135)
Finance costs		**-**	(336,307)
Share based payments		**(83,890)**	-
Other expenses	2(b)	**(379,989)**	(574,079)
Loss before income tax expense		**(863,297)**	(2,211,821)
Income tax expense	3	**-**	-
Net loss for the year		**(863,297)**	(2,211,821)
Other comprehensive income		**-**	-
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive loss attributable to members of Ventnor Resources Limited		**(863,297)**	(2,211,821)
Earning per share for loss attributable to the owner of Ventnor Resources Limited		**Cents**	Cents
Basic/diluted earnings per share	5	**(0.73)**	(2.68)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	**1,027,759**	1,158,099
Trade and other receivables	7	**39,318**	44,064
Total Current Assets		**1,067,077**	1,202,163
Non-Current Assets			
Trade and other receivables	7	**42,000**	42,000
Plant and equipment	8	**45,014**	83,038
Deferred exploration expenditure	9	**12,126,374**	12,155,904
Total Non-Current Assets		**12,213,388**	12,280,942
Total Assets		**13,280,465**	13,483,105
LIABILITIES			
Current Liabilities			
Trade and other payables	10	**61,611**	58,148
Provisions	11	**50,624**	46,413
Total Current Liabilities		**112,235**	104,561
Total Liabilities		**112,235**	104,561
Net Assets		**13,168,230**	13,378,544
EQUITY			
Issued capital	13	**19,343,243**	18,774,150
Reserves	14	**1,551,256**	1,467,366
Accumulated losses	12	**(7,726,269)**	(6,862,972)
Total Equity		**13,168,230**	13,378,544

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

Consolidated	Issued Capital $	Accumulated Losses $	Other Reserves $	Total $
2015				
Balance at 1 July 2014	**18,774,150**	**(6,862,972)**	**1,467,366**	**13,378,544**
Loss for the year	-	(863,297)	-	(863,297)
Total comprehensive loss for the year	-	(863,297)	-	(863,297)
Securities issued during the year	**597,072**	-	-	**597,072**
Capital raising costs	**(27,979)**	-	-	**(27,979)**
Cost of share based payments	-	-	**83,890**	**83,890**
Balance at 30 June 2015	**19,343,243**	**(7,726,269)**	**1,551,256**	**13,168,230**
2014				
Balance at 1 July 2013	16,879,224	(4,651,151)	1,430,506	13,658,579
Loss for the year	-	(2,211,821)	-	(2,211,821)
Total comprehensive loss for the year	-	(2,211,821)	-	(2,211,821)
Securities issued during the year	1,988,057	-	-	1,988,057
Capital raising costs	(93,131)	-	-	(93,131)
Cost of share based payments	-	-	36,860	36,860
Balance at 30 June 2014	18,774,150	(6,862,972)	1,467,366	13,378,544

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
		Inflows/ (Outflows)	Inflows/ (Outflows)
Cash flows from operating activities			
Payments to suppliers and employees		**(514,564)**	(947,946)
Interest received		**19,527**	12,954
Finance costs		-	(387,928)
Other cash receipts		-	122,652
Net cash used in operating activities	6(i)	**(495,037)**	(1,200,268)
Cash flows from investing activities			
Expenditure on mining interests		**(232,375)**	(689,158)
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)/provided by investing activities		**(232,375)**	2,161,942
Cash flows from financing activities			
Proceeds from issue of shares		**597,072**	1,988,057
Payment of capital raising costs		-	(93,131)
Proceeds from borrowings		-	1,400,000
Repayment of borrowings		-	(3,340,000)
Net cash provided by/(used in) financing activities		**597,072**	(45,074)
Net (decrease)/increase in cash held		**(130,340)**	916,600
Cash at beginning of the financial year		**1,158,099**	241,499
Cash at end of financial year	6	**1,027,759**	1,158,099

The accompanying notes form part of these financial statements.

1. *Summary of Significant Accounting Policies*

These consolidated financial statements and notes represent those of Ventnor Resources Limited and controlled entities. ("Group" or "Consolidated Entity").

Ventnor Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the Directors' Report.

The separate financial statements of the parent entity, Ventnor Resources Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial report was authorised for issue on 29 September 2015 by the directors of the Company.

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Except for cash flow information, the financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(b) Adoption of new and revised standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the Group's accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2015. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

(c) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Ventnor Resources Limited ("Company" or "Parent Entity") and its subsidiaries as at 30 June each year ("Consolidated Entity" or "Group"). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Business combinations have been accounted for using the acquisition method of accounting (refer note 1(e)).

1. Summary of Significant Accounting Policies (Cont.)

(d) Basis of consolidation (Cont.)

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of the Company.

When the group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(e) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified as either equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the statement of comprehensive income.

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

1. Summary of Significant Accounting Policies (Cont.)

(g) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

(h) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement within 30 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

An allowance account for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the statement of comprehensive income. When a trade receivable for which an impairment allowance has been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(i) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

1. Summary of Significant Accounting Policies (Cont.)

(i) Income Tax (Cont.)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(j) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(k) Financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace

(i) Financial assets at fair value through profit or loss
Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

1. Summary of Significant Accounting Policies (Cont.)

(k) Financial assets (Cont.)

(ii) Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments
Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

(l) Mineral exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
(b) exploration and evaluation activities in the area have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence, or otherwise, of economically recoverable reserves and active and significant operations in, or relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

1. Summary of Significant Accounting Policies (Cont.)

(m) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(n) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(p) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. Interest calculated using the effective interest rate method is accrued over the period it becomes due and increases the carrying amount of the liability.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

1. Summary of Significant Accounting Policies (Cont.)

(q) Share-based payment transactions

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

When provided, the cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the Black-Scholes model or the binomial option valuation model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Ventnor Resources Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(r) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(s) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

(t) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

1. Summary of Significant Accounting Policies (Cont.)

(u) Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as the lease income.

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

(v) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:
Plant and equipment – over 3 to 5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) *Impairment*
The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the assets belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income.

(ii) *Derecognition and disposal*
An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(w) Finance Costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including interest on short-term and long-term borrowings.

1. Summary of Significant Accounting Policies (Cont.)

(x) Employee Benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(y) Significant Accounting Estimates and Judgments

Significant accounting judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Exploration and evaluation assets
The Group's accounting policy for exploration and evaluation expenditure is set out at Note 1(l). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the statement of comprehensive income.

Significant accounting estimates and assumptions
The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) Impairment of assets
In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(ii) Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined from market value.

	Consolidated	
	2015 $	2014 $
2. *Revenue and Expenses*		
(a) Revenue		
Interest received – other corporations	**17,322**	14,656
Other	**43,813**	218,219
	61,135	232,875
(b) Expenses		
Securities exchange and registry fees	**31,140**	65,327
Legal fees	**20,059**	62,468
Auditor's fees	**29,500**	31,500
Operating lease rental expense	**48,208**	57,247
Consulting fees	**78,100**	127,603
Other	**172,982**	229,934
	379,989	574,079
3. *Income Tax*		
(a) Income Tax Expense		
The income tax expense for the year differs from the prima facie tax as follows:		
Loss for year	**(863,297)**	(2,211,821)
Prima facie income tax (benefit) @ 30%	**(258,989)**	(663,546)
Tax effect of non-deductible / (non-assessable) items	**34,026**	1,011,781
Deferred tax assets not brought to account	**224,963**	(348,235)
Total income tax expense	**-**	-
(b) Deferred Tax Assets		
Deferred tax assets not brought to account arising from tax losses, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(i) occur:	**5,684,655**	5,351,627

There are no franking credits available to the Group.

4. *Auditors' Remuneration*

The auditor of Ventnor Resources Limited is RSM Bird Cameron Partners.

Amounts, received or due and receivable by RSM Bird Cameron Partners for:		
- an audit or review services	**29,500**	31,500
- other non-audit services	**14,500**	15,960
	44,000	47,460

	Consolidated	
	2015 $	2014 $
5. *Earnings per Share (EPS)*		
	Cents	**Cents**
Basic earnings per share	**(0.73)**	(2.68)
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:		
Earnings – Net loss for year	**(863,297)**	(2,211,821)
	No.	**No.**
Weighted average number of ordinary shares used in the calculation of basic EPS	**118,389,485**	82,414,229
6. *Cash and Cash Equivalents*		
Cash at bank	**1,027,759**	1,158,099
Cash at bank earns interest at floating rates based on daily bank deposit rates.		
(i) Reconciliation of loss for the year to net cash flows from operating activities:		
Loss for the year	**(863,297)**	(2,211,821)
Depreciation	**38,024**	50,572
Equity settled share based payment	**83,890**	-
Write off of exploration expenditure	**263,029**	1,094,603
Changes in assets and liabilities		
Receivables	**1,492**	(10,529)
Payables	**(22,936)**	(162,519)
Provisions	**2,105**	(77)
GST payable/receivable	**2,656**	39,503
Net cash flows from operating activities	**(495,037)**	(1,200,268)

(ii) Non-cash financing and investing activities

There were no non-cash financing and investing activities during the year.

During the previous year, the Company issued 500,000 options expiring 6 December 2016, exercisable at 15.48 cents each, as part consideration of the Joint Venture transaction arrangement costs. The fair value of the options at the date of issue was $36,860.

	Consolidated	
	2015 $	2014 $
7. *Trade and other receivables*		
Current		
Interest receivable	**1,134**	3,339
GST recoverable	**16,432**	18,758
Other receivables	**21,752**	21,967
	39,318	44,064

Terms and conditions relating to the above financial instruments:

- Other receivables are non-interest bearing and generally repayable within 30 days.
- Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

Non-Current		
Security bonds	**22,000**	22,000
Performance bond	**20,000**	20,000
	42,000	42,000
8. *Plant and equipment*		
Plant and equipment - at cost	**219,607**	219,607
Less: Accumulated depreciation	**(174,593)**	(136,569)
Net carrying amount	**45,014**	83,038
Reconciliation		
At 1 July, net of accumulated depreciation and impairment	**83,038**	133,610
Additions	**-**	-
Disposals	**-**	-
Depreciation expense	**(38,024)**	(50,572)
At 30 June, net of accumulated depreciation and impairment	**45,014**	83,038
9. *Deferred exploration expenditure*		
Expenditure brought forward	**12,155,904**	15,614,189
Expenditure incurred during year	**233,499**	449,458
Expenditure written off during year	**(263,029)**	(1,094,603)
Sale of share in project to Joint Venture partner	**-**	(3,000,000)
Joint Venture transaction costs	**-**	186,860
Expenditure carried forward	**12,126,374**	12,155,904

The expenditure above relates principally to the exploration and evaluation phase. The ultimate recoupment of this expenditure is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest, at amounts at least equal to book value.

During the previous year, the Company entered a Joint Venture with Sandfire Resources NL ("Sandfire") on the Thaduna/Green Dragon Copper Project with the objective of completing a feasibility study to treat the Project's ore through Sandfire's existing DeGrussa plant, 40km from the resource. The transaction comprises a farm-in, funding and toll treatment agreement with Sandfire to advance the Project to production utilising Sandfires's modern production facilities at its DeGrussa Copper Project.

9. *Deferred exploration expenditure (Cont.)*

Sandfire initially acquired a 35% First Interest in the Project by paying $3,000,000 upfront directly to the Company. Sandfire can then acquire an additional 16% (total 51%) for the Second Interest $3,000,000 tranche, and 29% (total 80%) for the Third Interest $3,000,000 tranche. The second and third tranches will be spent directly on the Project. The Company 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 (including any loans).

The transaction was approved by shareholders at the Company's Annual General Meeting on 28 November 2013, and settled on 4 December 2013 with the first payment of $3,000,000.

	Consolidated	
	2015	**2014**
	$	**$**
10. *Trade and other payables*		
Current		
Trade and other payables	**61,611**	58,148

Terms and conditions relating to the above financial instruments:

- Trade payables are non-interest bearing and are normally settled on 30 day terms.
- Due to the short term nature of trade payable and accruals, their carrying value is assumed to approximate their fair value.

11. *Provisions*

Current		
Employee benefits	**50,624**	46,413

Employee benefits represent annual leave entitlements of employees within the Group and are non-interest bearing. The entire obligation is presented as current, since the Group does not have a right to defer settlement.

12. *Equity- Accumulated losses*

Accumulated losses at the beginning of the year	**(6,862,972)**	(4,651,151)
Loss after income tax expenses for the year	**(863,297)**	(2,211,821)
Accumulated losses at the end of the year	**(7,726,269)**	(6,862,972)

	Consolidated	
	2015	**2014**
	$	**$**
13. *Issued Capital*		
(a) **Issued and paid up capital**		
Ordinary shares - fully paid	**19,343,243**	18,774,150

(b) **Movement in ordinary shares on issue**	**2015 Number**	**2015 $**	2014 Number	2014 $
(i) Ordinary shares – fully paid				
Balance at beginning of year	**118,336,717**	**18,774,150**	71,002,030	16,879,224
Issued for cash pursuant to renounceable rights issue – 3 April 2014	-	-	47,334,687	1,988,057
Expense of issue	-	-	-	(93,131)
Issued for cash pursuant to placement – 30 June 2015	**19,260,388**	**597,072**	-	-
Expense of issue	-	**(27,979)**	-	-
Balance at end of year	**137,597,105**	**19,343,243**	118,336,717	18,774,150

On 30 June 2015, the Company placed 19,260,388 fully paid ordinary shares at 3.1 cents each with a one for two free attaching unlisted two year option with an exercise price of 7 cents each, to raise $597,072. The 19,260,388 shares and 9,630,194 free attaching options have been valued together at $597,072.

(c) **Share Options**

At the end of the year, the following options over unissued ordinary shares were outstanding:

- 500,000 options expiring 6 December 2016, exercisable at 15.48 cents each
- 9,630,194 options expiring 30 June 2017, exercisable at 7 cents each
- 2,750,000 options expiring 2 December 2017, exercisable at 5.5 cents each

(d) **Terms and conditions of issued capital**

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

13. *Issued Capital (Cont.)*

(e) Capital Management

Management controls the capital of the Company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing its financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues. There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year. The gearing ratios for the year ended 30 June 2015 and 30 June 2014 are as follows:

		Consolidated	
	Note	2015 $	2014 $
Total borrowings	10,	**61,611**	58,148
Less cash and cash equivalents	6	**(1,027,759)**	(1,158,099)
Net debt		**(966,148)**	(1,099,951)
Total equity		**13,168,230**	13,378,544
Total capital		**12,202,082**	12,278,593
Gearing ratio		**N/A**	N/A

The low gearing ratio commenced during 2014 which resulted primarily from the repayment of all loans and borrowings during that year.

14. *Reserves*

Option issue reserve	**1,551,256**	1,467,366

Option issue reserve

(i) Nature and purpose of reserve
The option issue reserve is used to accumulate amounts received on the issue of options and records items recognised as expenses on valuation of incentive based share options.

(ii) *Movements in reserve*		
Opening balance 1 July	**1,467,366**	1,430,506
Options issued in lieu of fees payable	**-**	36,860
Issue of incentive based share options	**83,890**	-
Closing balance 30 June	**1,551,256**	1,467,366

	Consolidated	
	2015	2014
	$	$

15. *Commitments*

Exploration Commitments

The company has certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Group. These commitments have not been provided for in the accounts. Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishment of tenure or any new joint venture arrangements. Expenditure may be increased when new tenements are granted or joint venture agreements amended The minimum expenditure commitment on the tenements is:

Not later than one year	**167,600**	352,560

Operating Lease Commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements:

Payable – minimum lease payments		
- Not later than one year	**10,074**	9,902
- After one year but not more than five years	**-**	-
	10,074	9,902

The property lease is currently the lease is on a month by month basis. The lease allows for subletting of all lease areas.

The storage lease is currently on a month by month basis.

16. *Contingent Liabilities*

It is possible that native title, as defined in the Native Title Act 1993, might exist over land in which the company has an interest. It is impossible at this stage to quantify the impact (if any) that the existence of native title may have on the operations of the company. However, at the date of this report, the Directors are aware that applications for native title claims have been accepted by the Native Title Tribunal over tenements held by the company.

During the previous year, a mandate and subsequent deed of settlement dated 25 October 2013 between the Company and LinQ Corporate Pty Ltd ("LinQ") was entered into. Pursuant to the mandate, LinQ assisted in the negotiation of the Thaduna/Green Dragon Joint Venture Agreement between the Company and Sandfire Resources NL ("Sandfire").

Under the deed of settlement, the following future payments to LinQ will be made upon completion of various stages of the Joint Venture Agreement:

- $150,000 to be paid within 5 business days of Ventnor receiving notice from Sandfire that Sandfire has earned the Second Interest or upon receipt of evidence of the $3 million expenditure by Sandfire;
- $150,000 to be paid within 5 business days of Ventnor receiving notice from Sandfire that Sandfire has earned the Third Interest or upon receipt of evidence of the $3 million expenditure by Sandfire;
- 8% of all Production Cash Flow, to be paid within 5 business days of receipt of funds by Ventnor either directly or indirectly from Sandfire up to a maximum payment to LinQ of $1,650,000. If Ventnor and Sandfire agree a delayed or alternative payment to Ventnor of the Production Cash Flow, Ventnor's liability to pay LinQ will arise on the date upon which such payments would have, but for that agreed change, been payable.

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

17. *Financial Reporting by Segments*

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 year ended 30 June 2015, 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 (2014: Nil) are derived from a single external customer.

18. *Related Party Transactions*

(a) Subsidiaries

The consolidated financial statements include the financial statements of Ventnor Resources Limited and the subsidiaries listed in the following table.

	County of Incorporation	% Equity Interest	
		2015 %	2014 %
Delgare Pty Ltd	Australia	**100**	100
Ventnor Pilbara Pty Ltd	Australia	**100**	100
Ventnor Mining Pty Ltd	Australia	**100**	100
Ventnor Gold Pty Ltd (formerly Delgare NT Pty Ltd)	Australia	**100**	100
Ventnor Kumarina Pty Ltd	Australia	**100**	100

(b) Parent entity

Ventnor Resources Limited is the ultimate Australian parent entity and ultimate parent of the Group.

(c) Key management personnel

Disclosures relating to key management personnel are set out in Note 20.

19. *Parent Entity Disclosures*

(a) Summary financial information

Financial Position

	Parent	
	2015 $	2014 $
Assets		
Current Assets	**1,065,797**	1,197,941
Non-current asset	**12,213,422**	12,275,061
Total assets	**13,279,219**	13,473,002
Liabilities		
Current Liabilities	**110,989**	94,458
Total liabilities	**110,989**	94,458
Equity		
Issued capital	**19,343,243**	18,774,150
Reserves	**1,551,256**	1,467,366
Accumulated losses	**(7,726,269)**	(6,862,972)
Total equity	**13,168,230**	13,378,544
Financial Performance		
Loss for the year	**(863,297)**	(2,211,821)
Other comprehensive income	**-**	-
Total comprehensive loss	**(863,297)**	(2,211,821)

b) Guarantees

Ventnor Resources Limited has not entered into any guarantees in relation to the debts of its subsidiary.

c) Other Commitments and Contingencies

Ventnor Resources Limited has no commitments to acquire property, plant and equipment, and has no contingent liabilities apart from the amounts disclosed in Note 16.

20. *Director and Executive Disclosures*

(a) Details of Key Management Personnel

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the consolidated entity's key management personnel for the year ended 30 June 2015.

	Consolidated	
	2015 $	2014 $
Short-term benefits	**150,000**	373,333
Post-employment benefits	**9,500**	15,802
Share-based payments	**62,600**	-
	222,100	389,135

(b) Loans with Key Management Personnel

There were no loans to key management personnel or their related entities during the financial year.

(c) Other transactions with Key Management Personnel

During the year, the Company subleased office space for $46,013 (2014: $60,929) and charged shared expenses of nil (2014: $30,750) to Dubber Corporation Limited (formerly Crucible Gold Limited) and Kunene Resources Limited. Mr Peter Pawlowitsch, a director of the Company is also a director of Dubber Corporation Limited and Kunene Resources Limited.

21. *Share Based Payments*

(a) Value of share based payments in the financial statements

Share based payments – Joint Venture transaction costs	-	36,860
Share based payments expensed-directors	**62,600**	-
Share based payments expensed-consultants	**21,290**	-
	83,890	36,860

(b) Summary of share-based payments

During the year, no shares were issued as share based payments.

Set out below are the summaries of options granted as share based payments:

Grant Date	Expiry Date	Exercise Price	Balance 01/07/14	Granted during the year	Exercised during the year	Expired or Change due to Resignation	Balance 30/06/15	Number vested and exercisable
16/08/2011	12/08/2014	$0.26	2,000,000	-	-	(2,000,000)	-	-
20/01/2012	20/01/2015	$0.80	300,000	-	-	(300,000)	-	-
23/01/2012	20/01/2015	$0.80	250,000	-	-	(250,000)	-	-
6/12/2013	6/12/2016	$0.1548	500,000	-	-	-	500,000	500,000
6/11/2014	2/12/2017	$0.055	-	2,500,000	-	-	2,500,000	2,500,000
10/12/2014	2/12/2017	$0.055	-	250,000	-	-	250,000	250,000
			3,050,000	2,750,000	-	(2,550,000)	3,250,000	3,250,000
Weighted average exercise price			$0.34	$0.055	-	$0.376	$0.07	$0.07

21. ***Share Based Payments (Cont.)***

Grant Date	Expiry Date	Exercise Price	Balance 01/07/13	Granted during the year	Exercised during the year	Expired or Change due to Resignation	Balance 30/06/14	Number vested and exercisable
15/11/2010	15/11/2013	$0.25	11,000,000	-	-	(11,000,000)	-	-
20/04/2011	15/11/2013	$0.25	675,921	-	-	(675,921)	-	-
2/08/2011	29/06/2014	$0.25	250,000	-	-	(250,000)	-	-
16/08/2011	12/08/2014	$0.26	2,000,000	-	-	-	2,000,000	2,000,000
20/01/2012	20/01/2015	$0.80	300,000	-	-	-	300,000	300,000
23/01/2012	20/01/2015	$0.80	250,000	-	-	-	250,000	250,000
6/12/2013	6/12/2016	$0.1548	-	500,000	-	-	500,000	500,000
			14,475,921	500,000	-	(11,925,921)	3,050,000	3,050,000
Weighted average exercise price			$0.27	$0.1548	-	$0.25	$0.34	$0.34

The assessed fair values of the options was determined using a binomial option pricing model or black-scholes model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underling share, expected yield and the risk-free interest rate for the term of the option. The inputs to the model used were:

Grant date	16/08/2011	20/01/2012	23/01/2012	6/12/2013	6/11/2014	10/12/2014
Dividend yield (%)	-	-	-	-	-	-
Expected volatility (%)	110%	150%	150%	100%	100%	100%
Risk-free interest rate (%)	4.58%	3.55$	3.55%	3.075%	2.545%	2.260%
Expected life of options (years)	3	3	3	3	3	3
Underlying share price ($)	$0.15	$0.62	$0.67	$0.125	$0.051	$0.040
Option exercise price ($)	$0.26	$0.80	$0.80	$0.1548	$0.055	$0.055
Value of option ($)	$0.0878	$0.4906	$0.5354	$0.07372	$0.0313	$0.02256

(c) Weighted average remaining contractual life

The weighted average remaining contractual life of share-based payment options that were outstanding as at 30 June 2015 was 2.275 years (2014: 0.578 years).

(d) Weighted average fair value

The weighted average fair value of share-based payment options granted during the year was $0.03051 each (2014: $0.07372).

22. *Financial Risk Management*

The Consolidated entity's principal financial instruments comprise receivables, payables, loans, cash and short-term deposits. The Consolidated entity manages its exposure to key financial risks in accordance with the Consolidated entity's financial risk management policy. The objective of the policy is to support the delivery of the Consolidated entity's financial targets while protecting future financial security.

The main risks arising from the Consolidated entity's financial instruments are interest rate risk, credit risk and liquidity risk. The Consolidated entity does not speculate in the trading of derivative instruments. The Consolidated entity uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Ageing analysis of and monitoring of receivables are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 1 to the financial statements.

Risk Exposures and Responses

Interest rate risk
The Consolidated entity's exposure to risks of changes in market interest rates relates primarily to the Consolidated entity's cash balances. The Consolidated entity constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. As the company has no variable interest rate bearing borrowings its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

At balance date, the Consolidated entity had the following financial assets exposed to variable interest rates that are not designated in cash flow hedges:

	Consolidated	
	2015	**2014**
	$	**$**
Financial Assets		
Cash and cash equivalents (interest-bearing accounts)	**1,027,759**	1,158,099
Net exposure	**1,027,759**	1,158,099

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

At 30 June, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity relating to financial assets of the Consolidated entity would have been affected as follows:

Judgements of reasonably possible movements:		
Post tax profit – higher / (lower)		
+ 0.5%	**5,139**	5,790
- 0.5%	**(5,139)**	(5,790)
Equity – higher / (lower)		
+ 0.5%	**5,139**	5,790
- 0.5%	**(5,139)**	(5,790)

22. *Financial Risk Management (Cont.)*

Liquidity Risk
The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other available credit lines.

The Consolidated entity manages liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

Credit risk
Credit risk arises from the financial assets of the Consolidated entity, which comprise deposits with banks and trade and other receivables. The Consolidated entity's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. The carrying amount of financial assets included in the statement of financial position represents the Consolidated entity's maximum exposure to credit risk in relation to those assets.

The Consolidated entity does not hold any credit derivatives to offset its credit exposure.

The Consolidated entity trades only with recognised, credit worthy third parties and as such collateral is not requested nor is it the Consolidated entity's policy to secure its trade and other receivables.

Receivable balances are monitored on an ongoing basis with the result that the Consolidated entity does not have a significant exposure to bad debts.

The Consolidated entity's cash deposits are held with a major Australian banking institution otherwise, there are no significant concentrations of credit risk within the Consolidated entity.

The following table details the expected maturity of the Group's financial assets and liabilities based on the earliest date of maturity or payment respectively. The amounts are stated on an undiscounted basis and include interest.

Consolidated	Weighted average effective interest rate %	Less than 1 month $	1 – 3 Months $	3 months – 1 year $	1 – 5 years $
2015					
Financial Assets:					
Non-interest bearing	-	**39,318**	-	-	-
Variable interest rate	**1.40**	**1,027,759**	-	-	-
Fixed interest rate	**3.30**	-	-	-	**42,000**
		1,067,077	-	-	**42,000**
Financial Liabilities:					
Non-interest bearing	-	**61,611**	-	-	-
		61,611	-	-	-
2014					
Financial Assets:					
Non-interest bearing	-	44,064	-	-	-
Variable interest rate	2.25	1,158,099	-	-	-
Fixed interest rate	3.40	-	-	-	42,000
		1,202,163	-	-	42,000
Financial Liabilities:					
Non-interest bearing	-	58,148	-	-	-
		58,148	-	-	-

Capital Management Risk
Management controls the capital of the Consolidated entity in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern.

Management effectively manages the Group's capital by assessing the Consolidated entity's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure and debt levels and share and option issues.

There have been no changes in the strategy adopted by management to control capital of the Consolidated entity since the prior year.

22. *Financial Risk Management (Cont.)*

Commodity Price and Foreign Currency Risk
The Consolidated entity's exposure to price and currency risk is minimal given the Consolidated entity is still in the exploration phase.

Fair Value
The methods of estimating fair value are outlined in the relevant notes to the financial statements. All financial assets and liabilities recognised in the statement of financial position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair values unless otherwise stated in the applicable notes.

23. *Events Subsequent to Year End*

There are no matters or circumstances that have arisen since 30 June 2015 that have or may significantly affect the operations, results, or state of affairs of the company in future financial years.

24. *New Accounting Standards for Application in Future Periods*

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2015. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

The entity has decided against early adoption of these standards and interpretations. Furthermore, these changes in standards and interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes. are in accordance with the *Corporations Act 2001* and:

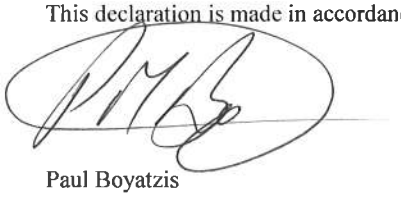
   a. comply with Accounting Standards, which, as stated in accounting policy Note 1(c) to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

   b. give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Consolidated Entity;

2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. the directors have been given the declarations required by s295A of the *Corporation Act 2001* from the Managing Director and Chief Financial Officer.

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



Paul Boyatzis
Chairman

Perth, 30 September 2015

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

Report on the Financial Report

We have audited the accompanying financial report of Ventnor Resources Limited, which comprises the statement of financial position as at 30 June 2015, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, 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 year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 1(c), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Liability limited by a scheme approved under Professional Standards Legislation

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

RSM Bird Cameron Partners is a member of the RSM network. Each member of the RSM network is an independent accounting and advisory firm which practises in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

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Independence

In conducting our audit, 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 report.

Opinion

In our opinion:

(a) the financial report of Ventnor Resources Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1(c).

Report on the Remuneration Report

We have audited the Remuneration Report contained within the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Ventnor Resources Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

DAVID WALL
Partner

Perth, WA
Dated: 30 September 2015

RSM Bird Cameron Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Ventnor Resources Limited for the year ended 30 June 2015, 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 audit; and

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

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

DAVID WALL
Partner

Perth, WA
Dated: 30 September 2015

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SECURITIES EXCHANGE INFORMATION

. HOLDINGS AS AT 22 SEPTEMBER 2015

Number of Securities Held	FULLY PAID SHARES	
	No. of Holders	No. of Shares
1 to 1,000	58	26,520
1,001 to 5,000	130	426,207
5,001 to 10,000	146	1,261,306
10,001 to 100,000	515	20,826,400
100,001 and over	189	115,056,672
Total Number of Holders	1,038	137,597,105
Number of holders of less than a marketable parcel	365	2,066,376
Percentage of the 20 largest holders		38.87%

Substantial Shareholders

The company has been notified of the following substantial shareholdings:

	Number
Bruce Maluish	6,053,810
Phillip Richard Perry	4,503,196

Voting Rights

The Constitution of the company makes the following provision for voting at general meetings:

On a show of hands, every ordinary shareholder present in person, or by proxy, attorney or representative has one vote. On a poll, every shareholder present in person, or by proxy, attorney or representative has one vote for any share held by the shareholder.

20 Largest Holders of Securities as at 22 September 2015:

Fully Paid Ordinary Shares

		Number	%
1.	Goldbondsuper Pty Ltd (Goldbond Superfund A/C)	8,481,787	6.16
2.	Baseshine Holdings Pty Ltd (The RD & CL Nairn Family A/C)	6,000,000	4.36
3.	Mash Super Pty Ltd (Maluish English Super Fund A/C)	4,666,667	3.39
4.	Deborah Mary Schwann (Peter Schwann Family Trust A/C)	3,550,000	2.58
5.	Neeltje Elisabeth Renes (Executor for the estate of the late Warwick John Flint)	3,000,000	2.18
6.	Blue Spec Mining Pty Ltd	2,867,956	2.08
7.	Phillip Richard Perry	2,861,905	2.08
8.	Grosvenor Pirie Management Ltd (Grosvenor P Inv Fund 3 A/C)	2,500,000	1.82
9.	Concettina Schiavello	2,024,048	1.47
10.	Haven Super Pty Ltd (Haven Super A/C)	2,005,000	1.46
11.	Andrew Maluish Super Pty Ltd (Andrew Maluish S/Fund A/C)	2,000,685	1.45
12.	Eileen Anne English	1,786,189	1.30
13.	Nataliia Nairn	1,600,000	1.16
14.	Vitus Chan	1,500,000	1.09
15.	Lesuer Pty Ltd (PMB Super Fund A/C)	1,500,000	1.09
16.	Anthony Robert Ramage	1,500,000	1.09
17.	P R Perry Nominees Pty Ltd (P R Perry Family A/C)	1,436,782	1.04
18.	P R Perry Nominees Pty Ltd (Donesk Family A/C)	1,413,515	1.03
19.	Denkey Pty Ltd	1,400,000	1.02
20.	Bruce Dennis Maluish	1,387,143	1.01
		53,481,677	38.87

SECURITIES EXCHANGE INFORMATION

Unlisted Options

Details of unlisted option holders are as follows:

Class of unlisted options	Number of Options	Number of Holders
Options exercisable at 15.48 cents each on or before 6 December 2016	500,000	1
Holdings of more than 20% of this class		
- Linq Corporate Pty Ltd	500,000	
Options exercisable at 5.5 cents each on or before 2 December 2017	2,750,000	5
Holdings of more than 20% of this class		
- Bruce Dennis Maluish	1,000,000	
Options exercisable at 7 cents each on or before 30 June 2017	9,630,194	20
No holdings of more than 20% of this class		

Restricted Securities

The company does not have any restricted securities on issue as at the date of this report.

On-market Buy-back

Currently there is no on-market buy-back of the Company's securities.

Consistency with business objectives

The company has used its cash and assets in a form readily convertible to cash that it had at the time of listing in a way consistent with its stated business objectives.

INTERESTS IN MINING TENEMENTS

WESTERN AUSTRALIA

Thaduna/Green Dragon Project - Copper

Tenement	Status	Holder / Applicant	Interest (%)
M52/1060	Granted	Delgare Pty Ltd	65
M52/1061	Granted	Delgare Pty Ltd	65
L52/149	Granted	Delgare Pty Ltd	65
L52/150	Granted	Delgare Pty Ltd	65

Warrawanda Project - Nickel

Tenement	Status	Holder / Applicant	Interest (%)
E52/2372	Granted	Ventnor Pilbara Pty Ltd	100
P52/1242	Granted	Ventnor Pilbara Pty Ltd	100
P52/1243	Granted	Ventnor Pilbara Pty Ltd	100
P52/1244	Granted	Ventnor Pilbara Pty Ltd	100
P52/1281	Granted	Ventnor Pilbara Pty Ltd	100
P52/1282	Granted	Ventnor Pilbara Pty Ltd	100
P52/1283	Granted	Ventnor Pilbara Pty Ltd	100

Nickel Hills Project - Nickel

Tenement	Status	Holder / Applicant	Interest (%)
E52/2550	Granted	Delgare Pty Ltd	100

Doolgunna Project - Copper

Tenement	Status	Holder / Applicant	Interest (%)
E52/2548	Granted	Delgare Pty Ltd	100

Black Dragon Project - Gold

Tenement	Status	Holder / Applicant	Interest (%)
E39/1828	Granted	Ventnor Resources Ltd	100