Ventnor Resources Limited

ABN 59 142 014 873

ANNUAL REPORT

30 JUNE 2014

CORPORATE DIRECTORY

DIRECTORS

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

SECRETARY

John Geary

REGISTERED AND PRINCIPAL OFFICE

Level 1
6 Thelma Street
West Perth WA 6005

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

Website: www.ventnorresources.com.au

SHARE REGISTRY

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

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

AUDITORS

RSM Bird Cameron Partners
8 St George's Terrace
Perth WA 6000

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

This time last year the reality of the serious downturn in global sentiment for both commodities and listed Mining and Exploration Companies was foremost in our thinking. Unfortunately this has continued in the 2014 year and the industry is currently facing challenges not experienced for many years.

The Association of Mining and Exploration Companies Inc. (AMEC), of which Ventnor is a member, recently advised members of figures released by the Australian Bureau of Statistics in the *Mineral and Petroleum Exploration, Australia June 2014 quarter* report which showed a slight increase in mineral exploration expenditure and metres drilled. However, when seasonally adjusted the reality is a continuing decrease in expenditure and metres drilled. This trend of historically low and consistent decreases in exploration expenditure and metres drilled on new deposits is similar to the post GFC levels in the March 2009 quarter.

All of this has made it increasingly difficult for listed Mining and Exploration Companies to raise the necessary capital to ensure the discovery of the mines for tomorrow.

Early in the past year, 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.

After careful consideration of all options the Joint Venture with Sandfire Resources NL on the Thaduna/Green Dragon Copper Project was fully executed on 4 December 2013.

This decision effectively relieved Ventnor of the need to go to financial markets to raise the $70 to $80m required to complete a Bankable Feasibility Study and construct a standalone plant.

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 potentially have access to long term cash flows, which is a very attractive outcome in the present environment.

When reviewed against the present economic backdrop for the industry this decision was indeed the correct and prudent decision for the times.

On behalf of the Board, I would like to thank all staff and contractors for their contribution to the continuing successful 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

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

During the year Ventnor entered into a landmark farm-in and joint venture agreement with Sandfire Resources NL (**Sandfire**) in order to fast-track development and minimise the capital cost to establish the project.

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

Ventnor also holds the Warrawanda nickel project in Western Australia, 40km south of Newman, and the Georgina Basin project in western Queensland's Mt Isa Inlier which is well endowed with iron oxide copper gold ("IOCG") systems and sulphide base metal deposits.

CORPORATE

During the year to June 2014, Ventnor Resources:

(i) Raised $1m through loan agreements with sophisticated investors introduced by Patersons Securities Limited in November 2013. This enabled the period of Voluntary Suspension to be lifted and trading of the Company's shares on ASX to re-commence**.** The lenders also agreed to sub-underwrite any pro rata issue, with their sub-underwriting obligation to be set off against amounts owed to them under the loan agreements**;**

(ii) Completed an underwritten renounceable pro rata rights issue on the basis of 2 fully paid ordinary shares ("New Shares") for every 3 fully paid ordinary shares held by shareholders with a registered address in Australia or New Zealand at an issue price of 4.2 cents per New Share. The maximum 47,334,687 New Shares were issued and $1.99m was raised. The $1m loan announced 20 November 2013 was retired from the proceeds. The issue was closed and the shortfall was placed by the underwriter on 31 March 2014;

(iii) Received a $3m cash payment from Sandfire under the terms of the Thaduna/Green Dragon farm-in and joint venture, giving Sandfire an initial 35% interest in the project.

EXPLORATION

Thaduna/Green Dragon Copper Project

On 2 July 2013 Ventnor released high grade assays from deep drilling at Thaduna/Green Dragon. Highlights of these deep sulphide intersections included:

- **9.58 metres at 5.00% Cu from 612 metres down hole (THDD235)**
- **23.0 metres at 3.66% Cu from 388 metres down hole (THDD236)**
- **6.15 metres at 9.94% Cu from 572 metres down hole (THDD238)**

Holes THDD235 and THDD238 extended the high-grade underground mineralisation while hole THDD236 was infilling the existing 142,200 tonne copper JORC resource.

All of the assays confirmed visually identified high grade intersections and verified higher grades are coincident with bornite as the dominant sulphide mineralisation.

These results represent some of the highest grade copper intersections reported in the last year in Australia to the Company's knowledge and support the potential for underground production from Thaduna.

Drilling to date at Thaduna comprises 221 RC holes for 29,041 metres with 79 Diamond Tails for 20,485 metres, totaling 49,526 metres and had confirmed the continuity of the orebody to depth as well as the high grade core.

High Grade Intersections

The table below is a list of selected high grade diamond core intersections within the high grade zone and below 200 metres vertically from surface. They support the view that the Thaduna structure is continuous in widths and grades along a sufficient strike length to support an underground mine due to grades increasing with depth without any appreciable drop in the width of the mineralisation.

The tabulated intersections are selected from wider mineralised envelopes but show the potential for mining widths and grades that may support underground mining operations.

Hole Id	Easting	Northing	Az	Dip	From	To	DH m	Cu%
THRC127	772664	7175961	61	-59	285.0	288.0	3.00	4.74
THRC149	772619	7175810	35	-60	362.6	365.7	3.05	4.39
THRC158	772618	7176038	32	-60	269.0	272.0	3.00	2.87
					312.0	317.0	5.00	4.94
THRC159	772605	7176066	36	-60	263.9	268.0	4.13	3.09
					267.0	273.0	6.00	3.38
					313.0	322.5	9.48	4.40
					324.0	327.4	3.44	5.45
					334.3	340.0	5.75	5.17
THRC177	772421	7176150	38	-60	331.0	336.0	5.00	6.28
THRC194	772484	7176156	35	-60	299.0	303.0	4.00	4.39
THRC195	772555	7176070	39	-61	322.0	325.0	3.00	4.97
THRC203	772500	7176007	37	-59	410.6	416.0	5.40	3.87
THRC204	772461	7176081	35	-59	322.0	326.0	4.00	6.49
THRC207	772655	7175963	37	-60	286.0	293.4	7.35	8.71
THRC210	772513	7176104	47	-61	315.0	321.0	6.00	5.01
THRC211	772582	7176016	43	-60	320.0	323.0	3.00	3.46
					333.0	337.0	4.00	4.26
THRC214	772691.2	7175841	50	-60	318.0	323.0	5.00	4.76
THRC217	772730	7175771	49	-59	298.0	301.0	3.00	4.79
THRC220	772296	7176167	35	-65	497.0	505.0	7.16	10.46
					522.6	525.7	3.02	4.57
THRC222	772399	7176112	50	-60	425.7	429.0	3.35	3.13
					437.2	441.0	3.82	5.18
THDD223	772436	7176053	53	-60	465.0	467.7	2.70	4.65
THDD226	772249	7176254	51	-60	520.0	533.5	13.50	3.25
THDD229	772121	7176209	45	-60	721.5	722.3	0.80	4.93
THDD235	772176	7176258	48	-62	612.7	622.3	9.58	5.00
THDD236	772434	7176105	53	-62	388.0	411.0	23.00	3.66
THDD238	772136	7176328	48	-60	572.5	578.7	6.15	9.94

Detailed Information

The assays from the holes reported on 2 July 2013 were resource extensional holes THDD235 and THDD238, and the resource infill hole THDD236.

THDD236 was drilled to infill a gap in the resource at ~400 metres vertical. The hole intersected a very wide consistent zone of chalcopyrite mineralisation, with minor bornite, hosted in a package of graphitic shales and greywacke. The high grade mineralised zone returned 23 metres @ 3.66% Cu, significantly better in width than the surrounding drilling. The expectation was for a localised increase in the resource proximal to this hole.

Holes THDD235 and THDD238 were drilled to extend the known mineralisation identified in THRC220 and THDD226 down dip and down plunge. They demonstrated that the plunge of the mineralisation has been controlled by a structural roll in the Thaduna fault which has resulted in a very flat shoot within the overall plunge.

THDD235 intersected a wide intersection of strong bornite mineralisation with minor chalcopyrite hosted in variable graphitic shales and greywackes, with the highest grades concentrated in the graphitic shales, the high grade intersection returned 9.58 metres @ 5.00% Cu.

THDD238 intersected a very strong intersection of bornite mineralisation with minor chalcocite and chalcopyrite hosted in variable graphitic shales and greywackes, the high grade intersection returned 6.15 metres @ 9.94% Cu.

The assay results from THDD235 and THDD238 confirmed the understanding of the sulphide zonation and shoot geometry.

The following table outlines the newly reported drill hole intersections in the announcement while Annexure A is a table of the 0.2% Cu and 1% Cu cutoff intersections.

Hole Id	Easting	Northing	Az	Dip	From	To	DH m	Cu %	Ag ppm	Type
THDD229	772121	7176209	45	-60	721	725	4.00	1.57	3.6	NQ2
				Incl	**721.45**	**722.25**	**0.80**	**4.93**	**13.9**	
THDD235	772176	7176258	48	-62	612	622.28	10.28	4.73	15.5	HQ
				Incl	**612.7**	**622.28**	**9.58**	**5.00**	**16.4**	
THDD236	772434	7176105	53	-62	365	365.9	0.90	1.71	NSR	HQ
					376.5	377.5	1.00	0.44	NSR	
					388	413	25.00	3.39	2.6	
				Incl	**388**	**411**	**23.00**	**3.66**	**2.9**	
THDD238	772136	7176328	48	-60	572	579.5	7.50	8.25	26.7	HQ
				Incl	**572.5**	**578.65**	**6.15**	**9.94**	**32.4**	
					605.3	606.06	0.76	2.07	NSR	

Annexure A

Hole Id	Easting	Northing	Az	Dip	From	To	DH m	Cu%	Ag ppm	Type
THRC159	7176066	772604.6	35	-60	246.0	256.0	10.00	1.16	1.3	NQ2
				Incl.	**246.9**	**251.9**	**4.95**	**2.00**	**2.4**	
					262.0	280.0	18.00	2.35	4.7	
				Incl.	**263.0**	**278.0**	**15.00**	**2.74**	**5.6**	
					295.4	297.0	1.57	0.37	NSR	
					313.0	327.4	14.44	4.22	13.5	
				Incl.	**313.0**	**322.5**	**9.48**	**4.40**	**15.4**	
				Incl.	**325.0**	**327.4**	**2.46**	**7.36**	**19.9**	
					334.3	347.3	13.03	3.57	6.6	
				Incl.	**334.3**	**346.0**	**11.75**	**3.93**	**7.3**	
THRC149	7175810	772618.6	35	-60	362.6	366.1	3.52	3.87	12.4	NQ2
				Incl.	**362.6**	**365.7**	**3.05**	**4.39**	**14.3**	
THRC127	772664.4	7175961	061	-59	279.0	288.0	9.00	2.48	9.1	NQ2
				Incl.	**279.5**	**282.1**	**2.60**	**2.21**	**9.6**	
				Incl.	**285.0**	**288.0**	**3.00**	**4.74**	**17.0**	
					291.0	300.0	9.00	0.87	1.3	
				Incl.	**292.0**	**294.0**	**2.00**	**2.45**	**4.5**	
THRC158	7176038	772618	35	-60	269.0	272.0	3.00	2.87	NSR	NQ2
					277.0	286.0	9.00	0.74	NSR	
				Incl.	**281.3**	**286.0**	**4.70**	**1.11**	**NSR**	
					291.5	298.0	6.46	0.82	NSR	
				Incl.	**293.0**	**295.0**	**2.00**	**1.50**	**NSR**	
					304.0	307.0	3.00	1.15	NSR	
					304.7	307.0	2.30	1.42	NSR	
					312.0	**317.0**	**5.00**	**4.94**	**13.3**	
					330.8	335.0	4.21	0.70	1.3	
THRC177	7176146	772420.5	35	-60	328.0	336.0	8.00	4.12	11.2	NQ2
				Incl.	**331.0**	**336.0**	**5.00**	**6.28**	**17.8**	
THRC194	772484	7176156	35	-60	299.0	304.0	5.00	3.76	6.6	NQ2
					308.0	310.0	2.00	0.35	NSR	
THRC195	772555	7176070	39	-61	254.0	255.5	1.50	0.50	NSR	NQ2
					282.0	287.0	5.00	1.50	3.2	
				Incl.	**283.0**	**286.0**	**3.00**	**2.13**	**5.0**	
					314.0	319.0	5.00	0.37	NSR	
					322.0	325.0	3.00	4.97	NSR	
				Incl.	**323.0**	**325.0**	**2.00**	**7.24**	**NSR**	
THRC203	772500	7176007	37	-59	315.0	319.0	4.00	0.65	NSR	NQ2
					390.2	392.0	1.80	0.92	2.2	
					394.0	398.0	4.00	0.53	1.3	
					410.0	422.0	12.00	2.40	3.8	
				Incl.	**410.0**	**417.0**	**7.00**	**3.80**	**6.1**	
THRC204	772461	7176081	35	-59	322.0	329.0	7.00	4.07	11.2	NQ2
				Incl.	**322.8**	**325.4**	**2.59**	**9.67**	**27.7**	
				Incl.	**327.7**	**329.0**	**1.27**	**1.98**	**2.3**	
THRC207	772655	7175963	37	-60	226.0	232.0	6.00	1.16	0.7	NQ2
				Incl.	**227.0**	**229.0**	**2.00**	**3.00**	**2.0**	
					284.0	294.0	10.00	6.65	35.4	
				Incl.	**284.0**	**293.4**	**9.35**	**7.07**	**37.7**	

Annexure A (cont'd)

THRC210	772513	7176104	47	-61	263.0	271.5	8.50	0.74	1.0	NQ2
				Incl.	**267.0**	**269.0**	**2.00**	**1.97**	**3.0**	
THRC211	772582	7176016	43	-60	294.0	305.0	11.00	1.61	0.3	NQ2
				Incl.	**295.0**	**304.0**	**9.00**	**1.90**	**0.4**	
					319.0	340.0	21.00	2.20	2.9	
				Incl.	**320.0**	**323.0**	**3.00**	**3.46**	**8.6**	
				Incl.	**325.0**	**338.0**	**13.00**	**2.53**	**2.7**	
					344.0	350.0	6.00	1.77	0.6	
				Incl.	**345.3**	**347.0**	**1.70**	**5.71**	**0.4**	
THRC214	772691.2	7175841	50	-60	314.0	327.0	13.00	2.07	0.3	NQ2
				Incl.	**318.0**	**323.0**	**5.00**	**4.76**	**0.8**	
THRC217	772730	7175771	49	-59	298.0	302.0	4.00	3.66	1.4	NQ2
				Incl.	**298.0**	**301.0**	**3.00**	**4.79**	**1.9**	
THRC220	772296	7176167	035	-65	497.0	512.0	15.00	5.49	17.4	NQ2
				Incl	**497.8**	**507.0**	**9.16**	**8.57**	**27.2**	
				Incl. +5%	**497.8**	**54.7**	**6.81**	**10.78**	**34.2**	
					514.0	518.0	4.00	0.26	12.0	
					522.0	527.0	5.00	3.08	15.1	
				Incl	**522.0**	**526.0**	**4.00**	**3.80**	**11.5**	
THRC222	772399	7176112	50	-60	420.3	424.0	3.74	4.16	12.1	NQ2
				Incl.	**420.3**	**422.0**	**1.74**	**8.71**	**26.0**	
					425.7	429.0	3.35	3.13	8.3	
					436.8	442.0	5.20	4.02	11.4	
				Incl.	**437.2**	**441.6**	**4.41**	**4.62**	**13.3**	
THDD223	772436	7176053	53	-60	364.0	366.0	2.00	0.57	NSR	NQ2
					375.0	377.0	2.00	0.55	NSR	
					403.0	405.0	2.00	0.69	NSR	
					463.0	469.0	6.00	2.58	3.3	
				Incl.	**465.0**	**468.0**	**3.00**	**4.35**	**5.3**	
					486.0	488.0	2.00	0.27	NSR	
THDD226	772249	7176254	51	-60	**520.0**	**533.5**	**13.50**	**3.25**	**9.9**	NQ2
				Incl. +3%	**520.0**	**523.0**	**3.00**	**4.24**	**13.0**	
				Incl. +3%	**529.0**	**533.3**	**4.27**	**4.07**	**12.6**	
THDD229	772121	7176209	45	-60	721.0	725.0	4.00	1.57	3.6	NQ2
				Incl	**721.5**	**722.3**	**0.80**	**4.93**	**13.9**	
THDD235	772176	7176258	48	-62	612.0	622.3	10.28	4.73	15.5	HQ
				Incl	**612.7**	**622.3**	**9.58**	**5.00**	**16.4**	
THDD236	772434	7176105	53	-62	365.0	365.9	0.90	1.71	NSR	HQ
					376.5	377.5	1.00	0.44	NSR	
					388.0	413.0	25.00	3.39	2.6	
				Incl	**388.0**	**411.0**	**23.00**	**3.66**	**2.9**	
THDD238	772136	7176328	48	-60	572.0	579.5	7.50	8.25	26.7	HQ
				Incl	**572.5**	**578.7**	**6.15**	**9.94**	**32.4**	
					605.3	606.1	0.76	2.07	NSR	

NSR – No Significant Result

*Intersections are based on greater than 0.2% Cu with a minimum of 2 consecutive samples down hole with a maximum of 2 metres of internal dilution. All intersections are down hole lengths. Included intersections in **bold** are based on greater than 1.0% Cu with a minimum of 2 consecutive samples down hole and a maximum of 2 metres of internal dilution. Assays for Cu and Ag are determined by a four acid digest with either an ICP-OES or ICP-AA finish. Coordinates are MGA Zone50J GDA. "Type" indicates either a Reverse Circulation (RC) intersection or NQ2/HQ - sized diamond core sample.*

Resource Upgrade and BFS

Following the positive results of this and earlier completed drilling it was Ventnor's intention to generate an updated JORC 2012 compliant Resource model which would form a base case for a Bankable Feasibility Study. The Scoping Study completed earlier in the year indicated the potential for an open cut operation followed by a longer-term underground mine to be economic.

The development of the BFS would have included additional drilling to support the generation of Mining Reserves for the optimal pit area and at least an initial three years underground production. This additional drilling program was expected to also target further depth extensions to the updated Resource beyond the success announced in holes THDD235 and THDD238.

It was estimated the drilling required will be as follows:

Target Area	Drilling Required	Outcome
Optimal Pits	1,000m	Mining Reserve
3 years UG Production	4,500m	Mining Reserve
Deep Extensions	1,500m	Additional Resource

However, despite these excellent drilling results the reality that the serious downturn in global sentiment for both commodities and equity funding for publicly listed mining and exploration companies was not about to change became the dominant factor in Ventnor's decision making process about the optimal way to deliver maximum shareholder value.

Against this background the Board of Ventnor commenced actively seeking a Joint Venture (JV) partner for the Thaduna/Green Dragon Copper Project.

Sandfire Farm-In and Joint Venture

On 25 October 2013 Ventnor announced a landmark joint venture with Sandfire Resources:

- **Joint Venture for Thaduna/Green Dragon incorporating pre-development, development and toll treatment;**
- **Agreement has the potential to remove the vast majority of costs included in the $70M capital cost estimate in the Scoping Study and bring forward the timing of first production;**
- **Sandfire to $3M and spend $6M for exploration and development in two tranches to earn an 80% interest;**
- **Toll treatment costs at C1 operating costs.**

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

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

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

One of the advantages for Ventnor in forming the JV with Sandfire will be the expedited assessment of the possibility of developing the Project utilising Sandfire's existing plant and infrastructure. This will substantially reduce the overall capital required and potentially bring forward the timing of achieving first production and cash flow by a meaningful period. It will remove the need for Ventnor to raise substantial finance (either equity or debt) and at the same time to reduce the risk of project feasibility and development through a farm out and funding solution coupled with a toll milling arrangement at a low operating cost.

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

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

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

This transaction represents substantial value accretion for Ventnor shareholders by:

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

The Transaction was subject to Ventnor shareholder approval and at a meeting held on 28 November 2013 and was approved unanimously by shareholders.

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

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

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

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

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

Details of the results were announced subsequent to the end of the period.

EVENTS SUBSEQUENT TO THE PERIOD

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

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

On 9 September 2014 Ventnor and Sandfire jointly provided an update on work undertaken to date at Thaduna/Green Dragon.

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

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

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

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

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

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

Work completed to date by Sandfire has moved the project forward. It includes thorough verification of previous data, re-examination of diamond core and re-surveying of drill holes with high deflection.

Sandfire has indicated that progress on metallurgical testwork, mineral resource estimates and mining optimisations, scheduling and costing may lead to estimates for Ore Reserves by the end of 2014.

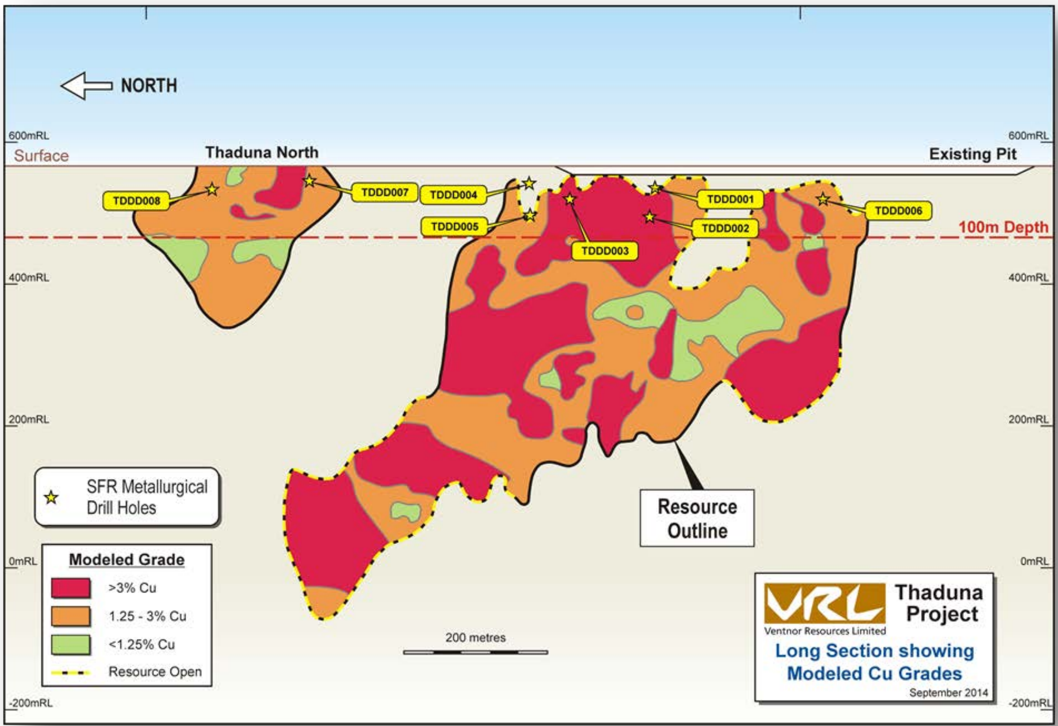
Sandfire currently holds a 35% interest in the project and is increasing its interest to 51% by spending an additional $3M. It can earn up to 80% by spending a further $3M.

Detailed Information

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

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

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.



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

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

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

New holes drilled by SFR

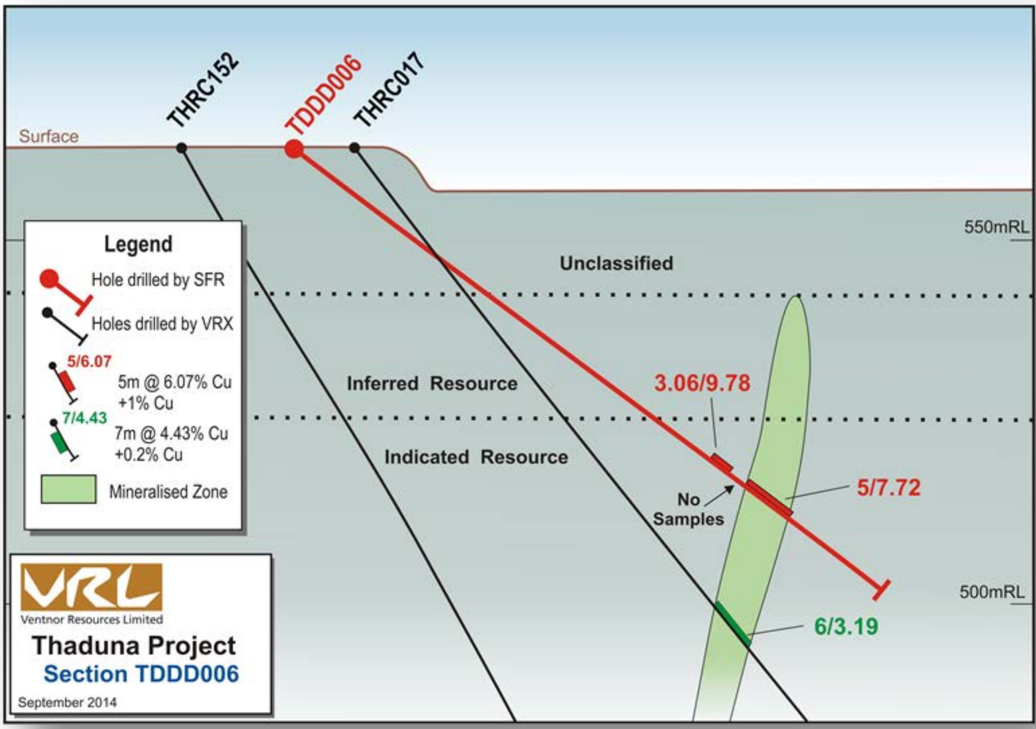
Hole Id	Easting	Northing	Az	Dip	From	To	DH m	Samp. m	TW m	Cu %	Ag ppm	Type
TDDD001	772702	7176032	58	-37	77.80	86.50	8.70	7.70	7.08	3.20	8.6	**PQ**
							incl.	**5.20**	**4.78**	**4.15**	**12.3**	
							incl.	2.50	2.30	1.22	0.8	
TDDD002	772701	7176032	63	-51	**No samples submitted for TDDD002**							**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	**PQ**
							incl.	**1.44**	**1.37**	**5.40**	**10.3**	
							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	**PQ**
							incl.	**1.44**	**1.25**	**3.40**	**8.4**	
							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	**PQ**
							incl.	**3.06**	**2.75**	**9.78**	**23.5**	
							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	**PQ**
							incl.	0.53	0.32	1.42	10.4	
							incl.	**8.90**	**5.34**	**2.48**	**8.1**	
							incl.	1.15	0.69	1.57	11.7	
Previous VRX Drilling												
THRC017	772848.5	7175856	58	-54	85	91	6	6	5.22	3.19	15.6	**RC**

True Width intersections are estimates from sections.

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

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

The cross section as presented is the southernmost drill hole.



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

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

Competent Person's Statement

The information in this release that relates to Exploration Results is based on, and fairly represents, information and supporting documentation supplied by Sandfire Resources NL, 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.

Your directors present their report on the company and its controlled entities for the year ended 30 June 2014.

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
John Geary (resigned 4 March 2014)

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 not held any other listed company directorships.

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:

- Crucible Gold Ltd – 26 September 2011 to present
- Kunene Resources Limited – 30 January 2012 to present

John Geary, B.Bus, Grad Dip Acctg, Grad Dip Adv Taxation – Executive Director (resigned) and Company Secretary

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.

Director from 12 February 2010 to 4 March 2014.

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

Bruce Maluish
- 6,053,810 ordinary fully paid shares

Peter Pawlowitsch
- 2,671,667 ordinary fully paid shares

COMPANY SECRETARY

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

Particulars of Mr Geary are as detailed under his director profile.

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
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 $2,211,821 (2013: $1,827,058).

Financial Position

At 30 June 2014, the Group had net asset of $13,378,544 (2013: $13,658,579) with cash reserves of $1,158,099.

Financing and Investing Activities

The company issued the following securities during the year:

- 47,334,687 ordinary fully paid shares pursuant to a renounceable rights issue at an issue price of 4.2 cents each, raising $1,988,057.

The Group had no interest bearing liabilities at 30 June 2014 (2013: $1,991,622).

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	17	17
B Maluish	17	17
P Pawlowitsch	17	16
J Geary	16	16

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 9.25% and increased to 9.50% on 1 July 2014, 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	**2014**	**47,500**	**-**	**-**	**47,500**	**0%**
	2013	72,000	-	-	72,000	0%
B Maluish	**2014**	**170,833**	**15,802**	**-**	**186,635**	**0%**
	2013	241,667	21,750	-	263,417	0%
P Pawlowitsch	**2014**	**28,333**	**-**	**-**	**28,333**	**0%**
	2013	40,000	-	-	40,000	0%
J Geary	**2014**	**126,667**	**-**	**-**	**126,667**	**0%**
	2013	173,333	-	-	173,333	0%
Total	**2014**	**373,333**	**15,802**	**-**	**389,135**	**0%**
	2013	527,000	21,750	-	548,750	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

There were no options granted as equity compensation benefits to Directors and Executives during the year.

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 01/07/13	Received as Remuneration	Options Exercised	Acquired/ (disposed)	Change due to resignation	Balance 30/06/14
Paul Boyatzis	-	-	-	1,500,000	-	1,500,000
Bruce Maluish	3,203,000	-	-	2,850,810	-	6,053,810
Peter Pawlowitsch	1,603,000	-	-	1,068,667	-	2,671,667
John Geary	500,000	-	-	-	(500,000)	-

Option Holding
The number 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 01/07/13	Allotment of Options	Options Acquired	Options Exercised	Options Expired/ Cancelled	Change due to resignation	Balance 30/06/14	Number vested and exercisable
Directors								
Paul Boyatzis	2,300,000	-	-	-	(2,000,000)	-	300,000	300,000
Bruce Maluish	5,200,000	-	-	-	(4,400,000)	-	800,000	800,000
Peter Pawlowitsch	3,200,000	-	-	-	(2,900,000)	-	300,000	300,000
John Geary	4,100,000	-	-	-	(3,500,000)	(600,000)	-	-

All options held by directors at 30 June 2014, expired on 12 August 2014.

H. Other transactions with key management personnel

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

- 550,000 options expiring 20 January 2015, exercisable at 80 cents each
- 500,000 options expiring 6 December 2016, exercisable at 15.48 cents each

During the year options were issued as follows:

- 500,000 options expiring 6 December 2016, exercisable at 15.48 cents each

During the year the following options expired:

- 1,500,000 options exercisable at 20 cents each, expired on 15 November 2013
- 20,675,921 options exercisable at 25 cents each, expired on 15 November 2013
- 250,000 options exercisable at 25 cents each, expired on 29 June 2014

Subsequent to year end and up to the date of this report, no other options have been issued or exercised. 2,000,000 options exercisable at 26 cents each, expired on 12 August 2014.

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.

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 2014, 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, 22 September 2014

The Board of Directors of Ventnor Resources Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of Ventnor Resources Limited on behalf of the shareholders by whom they are elected and to whom they are accountable. This statement reports on Ventnor Resources Limited's key governance principles and practices.

1. COMPLIANCE WITH BEST PRACTICE RECOMMENDATIONS

The Company, as a listed entity, must comply with the Corporations Act 2001 and the ASX Limited (ASX) Listing Rules. The ASX Listing Rules require the Company to report on the extent to which it has followed the Corporate Governance Recommendations published by the ASX Corporate Governance Council (ASXCGC). Where a recommendation has not been followed, that fact is disclosed, together with the reasons for the departure.

The table below summaries the Company's compliance with the Corporate Governance Council's Recommendations:

Principle #	ASX Corporate Governance Council Recommendations	Reference	Comply
Principle 1	**Lay solid foundations for management and oversight**		
1.1	Establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	2(a)	Yes
1.2	Disclose the process for evaluating the performance of senior executives.	2(h), 3(b), Remuneration Report	Yes
1.3	Provide the information indicated in the Guide to reporting on principle 1.	2(a), 2(h), 3(b), Remuneration Report	Yes
Principle 2	**Structure the board to add value**		
2.1	A majority of the board should be independent directors.	2(b), 2(e)	Yes
2.2	The chair should be an independent director.	2(c), 2(e)	Yes
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	2(b), 2(c)	Yes
2.4	The Board should establish a nomination committee.	2(d)	No
2.5	Disclose the process for evaluating the performance of the board, its committees and individual directors.	2(h)	Yes
2.6	Provide the information indicated in the Guide to reporting on principle 2.	2(b), 2(c), 2(d), 2(e), 2(h)	Yes
Principle 3	**Promote ethical and responsible decision-making**		
3.1	Establish a code of conduct and disclose the code or a summary as to:	4(a)	Yes
	• the practices necessary to maintain confidence in the company's integrity;		
	• the practices necessary to take into account the company's legal obligations and the reasonable expectations of its stakeholders; and		
	• the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.		
3.2	Establish a policy concerning diversity and disclose the policy or a summary of that policy.	4(b)	Yes
3.3	Disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.	4(b)	No
3.4	Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	4(b)	Yes
3.5	Provide the information indicated in the Guide to reporting on principle 3.	4(a), 4(b)	Yes
Principle 4	**Safeguard integrity in financial reporting**		
4.1	The Board should establish an audit committee.	3(a)	Yes
4.2	The audit committee should be structured so that it:	3(a)	No
	• consists only of non-executive directors;		

Principle #	ASX Corporate Governance Council Recommendations	Reference	Comply
	• consists of a majority of independent directors;		
	• is chaired by an independent chair, who is not chair of the Board; and		
	• has at least three members.		
4.3	The audit committee should have a formal charter	3(a)	Yes
4.4	Provide the information indicated in the Guide to reporting on principle 4.	3(a)	Yes
Principle 5	**Make timely and balanced disclosure**		
5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	5(a), 5(b)	Yes
5.2	Provide the information indicated in the Guide to reporting on principle 5.	5(a), 5(b)	Yes
Principle 6	**Respect the rights of shareholders**		
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose the policy or a summary of that policy.	5(a), 5(b)	Yes
6.2	Provide the information indicated in the Guide to reporting on principle 6.	5(a), 5(b)	Yes
Principle 7	**Recognise and manage risk**		
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	6(a)	Yes
7.2	The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	6(a), 6(b), 6(d)	Yes
7.3	The Board should disclose whether it had received assurance from the chief executive officer and the chief financial officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	6(c)	Yes
7.4	Provide the information indicated in the Guide to reporting on principle 7.	6(a), 6(b), 6(c), 6(d)	Yes
Principle 8	**Remunerate fairly and responsibly**		
8.1	The Board should establish a remuneration committee.	3(b)	No
8.2	Remuneration Committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent director; and • has at least three members.	3(b)	No
8.3	Clearly distinguish the structure on non-executive directors' remuneration from that of executive directors and senior executives.	3(b), Remuneration Report	Yes
8.4	Provide the information indicated in the Guide to reporting on principle 8.	3(b),	Yes

2. THE BOARD OF DIRECTORS

2(a) Roles and Responsibilities of the Board

The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for oversight of the management and the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Board operates within the broad principles and responsibilities described in the following:

- Setting the strategic aims of the Company and overseeing management's performance within that framework
- Making sure that the necessary resources (financial and human) are available to the Company and its senior executives to meet its objectives
- Overseeing management's performance and the progress and development of the Company's strategic plan
- Selecting and appointing suitable Executive Directors with the appropriate skills to help the Company in the pursuit of its objectives
- Determining the remuneration policy for the Board members, Company Secretary and Senior Management
- Controlling and approving financial reporting, capital structures and material contracts
- Ensuring that a sound system risk management and internal controls are in place
- Setting the Company's values and standards
- Undertaking a formal and rigorous review of the Corporate Governance policies to ensure adherence to the ASX Corporate Governance Council
- Ensuring that the Company's obligations to shareholders are understood and met
- Ensuring the health, safety and well-being of employees in conjunction with the senior management team, including developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to assure the well-being of all employees
- Ensuring an adequate system is in place for the proper delegation of duties for the effective operative day to day running of the Company without the Board losing sight of the direction that the Company is taking
- Any other matter considered desirable and in the interest of the Company

2(b) Board Composition

The Directors determine the composition of the Board employing the following principles:

- the Board, in accordance with the Company's constitution must comprise a minimum of three Directors;
- the roles of the Chairman of the Board and of the Chief Executive Officer should be exercised by different individuals;
- the majority of the Board should comprise Directors who are non-executive; and
- directors should bring characteristics which allow a mix of qualifications, skills, experience, expertise and diversity to the Board.

The Board is currently comprised of one Executive and two Non-Executive Directors. At all times during the year the Board comprised equal number or less Executive to Non-Executive Directors. The skills, experience, expertise, qualifications and terms of office of each director in office at the date of the annual report is included in the Directors' Report.

The Company's constitution requires one-third of the Directors (or the next lowest whole number) to retire by rotation at each Annual General Meeting (AGM). The Directors to retire at each AGM are those who have been longest in office since their last election. Where Directors have served for equal periods, they may agree amongst themselves or determine by lot who will retire. A Director must retire in any event at the third AGM since he or she was last elected or re-elected. Retiring Directors may offer themselves for re-election.

A Director appointed as an additional or casual Director by the Board will hold office until the next AGM when they may be re-elected.

The Managing Director is not subject to retirement by rotation and, along with any Director appointed as an additional or casual Director, is not to be taken into account in determining the number of Directors required to retire by rotation.

2(c) Roles of the Chairman and Executive Director

The Chairman is responsible for:

- providing the necessary direction required for an effective Board;
- ensuring that all the Directors receive timely and accurate information so that they can make informed decisions on matters of the Company;
- ensuring that the Board collectively and individual directors' performance is assessed annually; and
- encouraging active engagement from all members of the Board.

The Executive Director is responsible for:

- the executive management of the company's operations;
- policy direction of the operations of the Company;
- the efficient and effective operation of the Company; and
- ensuring all material matters affecting the Company are brought to the Board's attention.

Board policy specifies that the roles of the Chairman and the Chief Executive Officer should be separate roles to be undertaken by separate people.

2(d) Nomination Committee

The Company does not comply with ASX Recommendation 2.4. The Company is not of a relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed.

Nominations of new Directors are considered by the full Board. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process for selection and review is stringent and full details of all Directors are provided to shareholders in the annual report and on the Company's website.

2(e) Independent Directors

The Company recognises that independent Directors are important in assuring shareholders that the Board is properly fulfilling its role and is diligent in holding senior management accountable for its performance. The Board assesses each of the directors against specific criteria to decide whether they are in a position to exercise independent judgment.

Directors of Ventnor Resources Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

In making this assessment, the Board considers all relevant facts and circumstances. Relationships that the Board will take into consideration when assessing independence are whether a Director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is employed, or has previously been employed in an executive capacity by the Company or another Company member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been a principal of a material professional advisor or a material consultant to the Company or another Company member, or an employee materially associated with the service provided;
- is a material supplier or customer of the Company or other Company member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- has a material contractual relationship with the Company or another Company member other than as a Director.

The Board currently comprises two independent non-executive Directors.

In accordance with the definition of independence above, and the materiality thresholds set, the following Directors of Ventnor Resources Limited are considered to be independent:

Name	**Position**
Paul Boyatzis	Non-Executive Chairman
Peter Pawlowitsch	Non-Executive Director

The following persons hold office as directors of Ventnor Resources Limited at the date of this report:

Name	Term on Office
Paul Boyatzis	Since 24 September 2010
Bruce Maluish	Since 24 September 2010
Peter Pawlowitsch	Since 12 February 2010

2(f) Avoidance of conflicts of interest by a Director

In order to ensure that any interests of a Director in a particular matter to be considered by the Board are known by each Director, each Director is required by the Company to disclose any relationships, duties or interests held that may give rise to a potential conflict. Directors are required to adhere strictly to constraints on their participation and voting in relation to any matters in which they may have an interest.

2(g) Board access to information and independent advice

Directors are able to access members of the management team at any time to request relevant information.

There are procedures in place, agreed by the Board, to enable Directors, in furtherance of their duties, to seek independent professional advice at the company's expense.

2(h) Review of Board performance

The performance of the Board, collectively and individually, is reviewed annually by the Chairman. The Chairman conducts performance evaluations which may involve an assessment of each Board member's performance against specific and measurable qualitative performance criteria. The evaluation process is focussed on objective and tangible criteria such as:

- Performance of the Company
- Accomplishment of long term strategic objectives
- Development of management
- Growth in shareholder value

3. BOARD COMMITTEES

3(a) Audit Committee

Given the size and scale of the Company's operations the full Board undertakes the role of the Audit Committee. The Audit Committee does not comply with ASX Recommendation 4.2 as the Chair of the Board is Chair of the Audit Committee and the Audit Committee does not comprise only Non-Executive Directors. The role and responsibilities of the Audit Committee are summarised below.

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The Board sets aside time to deal with issues and responsibilities usually delegated to the Audit Committee to ensure the integrity of the financial statements of the Company and the independence of the auditor.

The Board reviews the audited annual and half-year financial statements and any reports which accompany published financial statements and recommends their approval to the members. The Board also reviews annually the appointment of the external auditor, their independence and their fees.

The Board is also responsible for establishing policies on risk oversight and management. The Company has not formed a separate Risk Management Committee due to the size and scale of its operations.

External Auditors

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. It is RSM Bird Cameron's policy to rotate engagement partners on listed companies at least every five years.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the notes to the financial statements in the Annual Report.

There is no indemnity provided by the company to the auditor in respect of any potential liability to third parties.

The external auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and preparation and content of the audit report.

Non-audit services provided by the auditors during the year are detailed in note 4 to the financial statements.

3(b) Remuneration Committee

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

The Board has not established a separate Remuneration Committee due to the size and scale of its operations. This does not comply with Recommendation 8.1 however the Board as a whole takes responsibility for such issues.

The responsibilities include setting policies for senior officers remuneration, setting the terms and conditions for the Managing Director, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both executive and non-executive directors and undertaking reviews of the Managing Director's performance.

The Company has structured the remuneration of its senior executive, where applicable, such that it comprises a fixed salary, statutory superannuation and, where applicable, participation in the Company's employee share option plan. The Company believes that by remunerating senior executives in this manner it rewards them for performance and aligns their interests with those of shareholders and increases the Company's performance.

Non-executive directors are paid their fees out of the maximum aggregate amount approved by shareholders for non-executive director remuneration. The Company does not adhere to Recommendation 8.3 Box 8.2 'Non-executive directors should not receive options or bonus payments'. The Company has and may, in the future, grant options to non-executive directors. The Board is of the view that options (for both executive and non-executive directors) are a cost effective benefit for small companies such as Ventnor Resources Limited that seek to conserve cash reserves. They also provide an incentive that ultimately benefits both shareholders and the optionholders, as optionholders will only benefit if the market value of the underlying shares exceeds the option strike price. Ultimately, shareholders will make that determination.

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

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive compensation is separate and distinct.

In determining remuneration, the Board has taken a view that the full Board will hold special meetings or sessions as required. No Director participated in any deliberation regarding his or her own remuneration or related issues. The Board are confident that this process for determining remuneration is stringent and full details of remuneration policies and remuneration received by directors and executives in the current period is contained in the "Remuneration Report" within the Directors' Report of the Annual Report.

4. ETHICAL AND RESPONSIBLE DECISION MAKING

4(a) Code of Ethics and Conduct

The Board endeavours to ensure that the Directors, officers and employees of the Company act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities. The "Code of Conduct" sets out the principles, practices, and standards of personal behaviour the Company expects people to adopt in their daily business activities.

All Directors, officers and employees are required to comply with the Code of Conduct. Senior managers are expected to ensure that employees, contractors, consultants, agents and partners under their supervision are aware of the Company's expectations as set out in the Code of Conduct.

All Directors, officers and employees are expected to:

- comply with the law;
- act in the best interests of the Company;
- be responsible and accountable for their actions; and
- observe the ethical principles of fairness, honesty and truthfulness, including prompt disclosure of potential conflicts.

4(b) Workplace Diversity Policy

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent. Accordingly, the company has established a diversity policy which is available on the company's website.

The Board has a commitment to promoting a corporate culture that is supportive of diversity and encourages the transparency of Board processes, review and appointment of Directors. The Board is responsible for developing policies in relation to the achievement of measurable diversity objectives and the extent to which they will be linked to the Key Performance Indicators for the Board, Managing Director and senior executives.

The Company's strategies may include:

- recruiting from a diverse range of candidates for all positions, including senior executive roles and Board positions;
- reviewing pre-existing succession plans to ensure that there is a focus on diversity;
- encourage female participation across a range of roles across the Company;
- review and report on the relative proportion of women and men in the workforce at all levels of the Company;
- articulate a corporate culture which supports workplace diversity and in particular, recognizes that employees at all levels of the Company may have domestic responsibilities;
- develop programs to encourage a broader pool of skilled and experienced senior management and Board candidates, including, workplace development programs, mentoring programs and targeted training and development; and
- any other strategies that the Board or the Nomination Committee develops from time to time.

At the date of this report the Company has only one executive. No women are currently represented on the Board.

Due to the current size, nature and scale of the Company's activities the Board has not yet developed objectives regarding gender diversity. As the size and scale of the company grows the Board will set and aim to achieve gender diversity objectives as director and senior executive positions become vacant and appropriately qualified candidates become available.

5. TIMELY AND BALANCED DISCLOSURE

5(a) Shareholder communication

The Company is committed to:

- Ensuring that shareholders and the market are provided with full and timely information about its activities;
- Complying with the continuous disclosure obligations contained in the ASX Listing Rules and the applicable sections of the Corporations Act 2001; and
- Providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner.

The Company's Disclosure Policy covers financial markets communication, media contact and continuous disclosure issues.

All information released to the ASX, after clearance from the ASX will be promptly placed on the Company's website.

Shareholders are encouraged to participate in general meetings. Copies of addresses by the Chairman or Chief Executive Officer are disclosed to the market and posted on the Company's website. The Company's external auditor attends the Company's annual general meeting to answer shareholder questions about the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

5(b) Continuous disclosure policy

The Company is committed to ensuring that shareholders and the market are provided with full and timely information and that all stakeholders have equal opportunities to receive externally available information issued by the Company. The Company's "ASX Disclosure Policy" described in 5(a) reinforces the Company's commitment to continuous disclosure and outline management's accountabilities and the processes to be followed for ensuring compliance.

The policy also contains guidelines on information that may be price sensitive. The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements with the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX.

6. RECOGNISING AND MANAGING RISK

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. The Company's policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives. A written policy in relation to risk oversight and management has been established. Considerable importance is placed on maintaining a strong control environment. There is an organisation structure with clearly drawn responsibilities.

6(a) Board oversight of the risk management system

The Company is not currently considered to be of a size, nor is its affairs of such complexity to justify the establishment of a separate Risk Management Committee. Instead, the Board, as part of its usual role and through direct involvement in the management of the Company's operations ensures risks are identified, assessed and appropriately managed. Where necessary, the Board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risk.

The Board is responsible for approving and overseeing the risk management system. The Board reviews, at least annually, the effectiveness of the implementation of the risk management controls and procedures.

The principle aim of the system of internal control is the management of business risks, with a view to enhancing the value of shareholders' investments and safeguarding assets. Although no system of internal control can provide absolute assurance that the business risks will be fully mitigated, the internal control systems have been designed to meet the Company's specific needs and the risks to which it is exposed.

Annually, the Board is responsible for identifying the risks facing the Company, assessing the risks and ensuring that there are controls for these risks, which are to be designed to ensure that any identified risk is reduced to an acceptable level.

The Board is also responsible for identifying and monitoring areas of significant business risk. Internal control measures currently adopted by the Board include:

- bimonthly reporting to the Board in respect of operations and the Company's financial position, with a comparison of actual results against budget; and
- regular reports to the Board by appropriate members of the management team and/or independent advisers, outlining the nature of particular risks and highlighting measures which are either in place or can be adopted to manage or mitigate those risks.

6(b) Risk management roles and responsibilities

The Board is responsible for approving and reviewing the Company's risk management strategy and policy. Executive management is responsible for implementing the Board approved risk management strategy and developing policies, controls, processes and procedures to identify and manage risks in all of the Company's activities.

The Board is responsible for satisfying itself that management has developed and implemented a sound system of risk management and internal control.

6(c) Chief Executive Officer and Chief Financial Officer Certification

The Chief Executive Officer and Chief Financial Officer, or equivalent, provide to the Board written certification that in all material respects:

- The Company's financial statements present a true and fair view of the Company's financial condition and operational results and are in accordance with relevant accounting standards;

- The statement given to the Board on the integrity of the Company's financial statements is founded on a sound system of risk management and internal compliance and controls which implements the policies adopted by the Board; and
- The Company's risk management an internal compliance and control system is operating efficiently and effectively in all material respects.

6(d) Internal review and risk evaluation

Assurance is provided to the Board by executive management on the adequacy and effectiveness of management controls for risk on a regular basis.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Consolidated 2014 $	2013 $
Revenue	2(a)	**232,875**	458,640
Exploration and evaluation expenditure		**(1,094,603)**	(716,370)
Depreciation		**(50,572)**	(49,991)
Directors' fees and benefits expense		**(389,135)**	(548,750)
Finance costs		**(336,307)**	(51,622)
Other expenses	2(b)	**(574,079)**	(918,965)
Loss before income tax expense		**(2,211,821)**	(1,827,058)
Income tax expense	3	**-**	-
Net loss for the year		**(2,211,821)**	(1,827,058)
Other comprehensive income		**-**	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss attributable to members of Ventnor Resources Limited		**(2,211,821)**	(1,827,058)
Earning per share for loss attributable to the owner of Ventnor Resources Limited		**Cents**	Cents
Basic / diluted earnings per share	5	**(2.68)**	(2.64)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	Consolidated 2014 $	2013 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	**1,158,099**	241,499
Trade and other receivables	7	**44,064**	86,904
Total Current Assets		**1,202,163**	328,403
Non-Current Assets			
Trade and other receivables	7	**42,000**	43,100
Plant and equipment	8	**83,038**	133,610
Deferred exploration expenditure	9	**12,155,904**	15,614,189
Total Non-Current Assets		**12,280,942**	15,790,899
Total Assets		**13,483,105**	16,119,302
LIABILITIES			
Current Liabilities			
Trade and other payables	10	**58,148**	423,689
Provisions	11	**46,413**	45,412
Loans and borrowings	12	**-**	1,991,622
Total Current Liabilities		**104,561**	2,460,723
Total Liabilities		**104,561**	2,460,723
Net Assets		**13,378,544**	13,658,579
EQUITY			
Issued capital	13	**18,774,150**	16,879,224
Reserves	14	**1,467,366**	1,430,506
Accumulated losses		**(6,862,972)**	(4,651,151)
Total Equity		**13,378,544**	13,658,579

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

Consolidated	**Issued Capital $**	**Accumulated Losses $**	**Other Reserves $**	**Total $**
Balance at 30 June 2012	12,406,405	(2,824,093)	1,430,506	11,012,818
Loss for the year	-	(1,827,058)	-	(1,827,058)
Total comprehensive loss for the year	-	(1,827,058)	-	(1,827,058)
Securities issued during the period	4,678,588	-	-	4,678,588
Capital raising costs	(205,769)	-	-	(205,769)
Balance at 30 June 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 2014

	Note	Consolidated 2014 $	2013 $
		Inflows/ (Outflows)	Inflows/ (Outflows)
Cash flows from operating activities			
Payments to suppliers and employees		**(947,946)**	(1,200,251)
Interest received		**12,954**	128,830
Finance costs		**(387,928)**	-
Other cash receipts		**122,652**	302,802
Net cash used in operating activities	6(i)	**(1,200,268)**	(768,619)
Cash flows from investing activities			
Expenditure on mining interests		**(689,158)**	(7,754,140)
Payment for plant and equipment		**-**	(4,780)
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 provided by / (used in) investing activities		**2,161,942**	(7,758,920)
Cash flows from financing activities			
Proceeds from issue of shares		**1,988,057**	4,112,687
Payment of capital raising costs		**(93,131)**	(205,769)
Proceeds from borrowings		**1,400,000**	1,940,000
Repayment of borrowings		**(3,340,000)**	-
Net cash (used in) / provided by financing activities		**(45,074)**	5,846,918
Net increase (decrease) in cash held		**916,600**	(2,680,621)
Cash at beginning of the financial year		**241,499**	2,922,120
Cash at end of financial year	6	**1,158,099**	241,499

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 22 September 2014 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 2014. 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.)

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.

(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.

1. Summary of Significant Accounting Policies (Cont.)

(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.

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.

1. Summary of Significant Accounting Policies (Cont.)

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.

(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.

1. Summary of Significant Accounting Policies (Cont.)

(k) Financial assets (Cont.)

(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.

(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).

1. Summary of Significant Accounting Policies (Cont.)

(m) Impairment of assets (Cont.)

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.

(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).

1. Summary of Significant Accounting Policies (Cont.)

(q) Share-based payment transactions (Cont.)

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.

(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.

1. Summary of Significant Accounting Policies (Cont.)

(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.

(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.

1. Summary of Significant Accounting Policies (Cont.)

(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	
	2014 $	2013 $
2. *Revenue and Expenses*		
(a) Revenue		
Interest received – other corporations	**14,656**	88,832
Other	**218,219**	369,808
	232,875	458,640
(b) Expenses		
Securities exchange and registry fees	**65,327**	80,846
Legal fees	**62,468**	64,288
Auditor's fees	**31,500**	30,000
Operating lease rental expense	**57,247**	59,156
Consulting fees	**127,603**	190,901
Other	**229,934**	493,774
	574,079	918,965

3. *Income Tax*

(a) Income Tax Expense

The income tax expense for the year differs from the prima facie tax as follows:

	2014 $	2013 $
Loss for year	**(2,211,821)**	(1,827,058)
Prima facie income tax (benefit) @ 30%	**(663,546)**	(548,117)
Tax effect of non-deductible / (non-assessable) items	**1,011,781**	(2,095,505)
Deferred tax assets not brought to account	**(348,235)**	2,643,622
Total income tax expense	**-**	-

(b) Deferred Tax Assets

	2014 $	2013 $
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:	**5,351,627**	5,799,133

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:

	2014 $	2013 $
- an audit or review services	**31,500**	30,000
- other non-audit services	**15,960**	23,962
	47,460	53,962

	Consolidated	
	2014 $	2013 $

5. *Earnings per Share (EPS)*

	Cents	Cents
Basic earnings per share	**(2.68)**	(2.64)

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	**(2,211,821)**	(1,827,058)
	No.	No.
Weighted average number of ordinary shares used in the calculation of basic EPS	**82,414,229**	69,316,714

6. *Cash and Cash Equivalents*

Cash at bank	**1,158,099**	241,499

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	**(2,211,821)**	(1,827,058)
Depreciation	**50,572**	49,991
Equity settled share based payment	**-**	(30,181)
Write off of exploration expenditure	**1,094,603**	716,370
Changes in assets and liabilities		
Receivables	**(10,529)**	28,810
Payables	**(162,519)**	90,571
Provisions	**(77)**	5,423
GST payable/receivable	**39,503**	197,455
Net cash flows from operating activities	**(1,200,268)**	(768,619)

(ii) Non-cash financing and investing activities

During the 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.

During the previous year, the Company issued 1,257,559 ordinary fully paid shares in payment of exploration services amounting to $596,082. The fair value of the shares at the date of issue was $565,901 (45 cents each), resulting in a gain on issue of $30,181.

	Consolidated 2014 $	Consolidated 2013 $
7. *Trade and other receivables*		
Current		
Interest receivable	**3,339**	1,637
GST recoverable	**18,758**	72,645
Other receivables	**21,967**	12,622
	44,064	86,904

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.

	2014 $	2013 $
Non-Current		
Security bonds	**22,000**	23,100
Performance bond	**20,000**	20,000
	42,000	43,100

8. *Plant and equipment*

	2014 $	2013 $
Plant and equipment - at cost	**219,607**	219,607
Less: Accumulated depreciation	**(136,569)**	(85,997)
Net carrying amount	**83,038**	133,610
Reconciliation		
At 1 July, net of accumulated depreciation and impairment	**133,610**	178,821
Additions	**-**	4,780
Disposals	**-**	-
Depreciation expense	**(50,572)**	(49,991)
At 30 June, net of accumulated depreciation and impairment	**83,038**	133,610

9. *Deferred exploration expenditure*

	2014 $	2013 $
Expenditure brought forward	**15,614,189**	8,836,924
Expenditure incurred during year	**449,458**	7,493,635
Expenditure written off during year	**(1,094,603)**	(716,370)
Sale of share in project to Joint Venture partner	**(3,000,000)**	-
Joint Venture transaction costs	**186,860**	-
Expenditure carried forward	**12,155,904**	15,614,189

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 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	
	2014	**2013**
	$	**$**
10. *Trade and other payables*		
Current		
Trade and other payables	**58,148**	423,689

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	**46,413**	45,412

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. *Loans and borrowings*

Current		
Secured – Interest bearing		
Major shareholder loan (i)	-	206,996
Other party loan (ii)	-	1,784,626
	-	1,991,622

The carrying amounts of non-current assets pledged as security are:

Deferred exploration expenditure	-	13,846,354

(i) The Company secured a loan facility of $500,000 in May 2013. At 30 June 2013 the Company had utilised $200,000 of this facility, with the remaining $300,000 and an additional $100,000 drawn by 31 October 2013. The loan facility was secured against the Thaduna/Green Dragon Copper Project mining leases and all of the assets of Ventnor Resources Limited. The principal plus interest of 15% fixed per annum, compounded monthly was fully repaid on 4 December 2013.

(ii) $1,740,000 of exploration services charges were settled by a 12 month term loan in April 2013. The loan was secured against the Thaduna/Green Dragon Copper Project mining leases and all of the assets of Ventnor Resources Limited. The principal plus interest of 15% fixed per annum, compounded monthly was fully repaid on 4 December 2013.

(iii) In November 2013, the Company raised $1,000,000 in unsecured convertible loan funds from sophisticated investors introduced by Paterson Securities Limited. The principal plus interest of 10% fixed per annum was fully repaid on 3 April 2014.

	Consolidated	
	2014	**2013**
	$	**$**

13. *Issued Capital*

(a) **Issued and paid up capital**		
Ordinary shares - fully paid	**18,774,150**	16,879,224

(b) **Movement in ordinary shares on issue**	**2014 Number**	**2014 $**	2013 Number	2013 $
(i) Ordinary shares – fully paid				
Balance at beginning of year	**71,002,030**	**16,879,224**	62,053,724	12,406,405
Issued for cash pursuant to placement – 24 August 2012	**-**	**-**	7,300,000	4,015,000
Expenses of issue	**-**	**-**	-	(205,769)
Issued in payment of exploration services rendered – 14 November 2012	**-**	**-**	1,257,559	565,901
Exercise of options, expiring 15 November 2013, exercised at 25 cents each	**-**	**-**	390,747	97,687
Issued for cash pursuant to renounceable rights issue – 3 April 2014	**47,334,687**	**1,988,057**	-	-
Expense of issue	**-**	**(93,131)**	-	-
Balance at end of year	**118,336,717**	**18,774,150**	71,002,030	16,879,224

(c) **Share Options**

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

- 2,000,000 options expiring 12 August 2014, exercisable at 26 cents each
- 550,000 options expiring 20 January 2015, exercisable at 80 cents each
- 500,000 options expiring 6 December 2016, exercisable at 15.48 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 2014 and 30 June 2013 are as follows:

		Consolidated	
	Note	**2014** **$**	**2013** **$**
Total borrowings	10, 12	**58,148**	2,415,311
Less cash and cash equivalents	6	**(1,158,099)**	(241,499)
Net debt		**(1,099,951)**	2,173,812
Total equity		**13,378,544**	13,658,579
Total capital		**12,278,593**	15,832,391
Gearing ratio		**N/A**	14%

The decrease in the gearing ratio during 2014 resulted primarily from the repayment of all loans and borrowings during the year.

14. *Reserves*

Option issue reserve	**1,467,366**	1,430,506

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	**1,430,506**	1,430,506
Options issued in lieu of fees payable	**36,860**	-
Closing balance 30 June	**1,467,366**	1,430,506

	Consolidated	
	2014	**2013**
	$	**$**

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:

	2014 $	2013 $
Not later than one year	**352,560**	1,445,884

Operating Lease Commitments

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

	2014 $	2013 $
Payable – minimum lease payments		
- Not later than one year	**9,902**	27,154
- After one year but not more than five years	**-**	-
	9,902	27,154

The property lease is a non-cancellable lease with a 24 month term ending 31 March 2013, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require minimum lease payments shall be increased by the consumer price index on the first anniversary date. An option exists to renew the lease at the end of the 24 month term for an additional term of 24 months. Currently the lease is on a month by month basis. The lease allows for subletting of all lease areas.

The storage lease commenced in December 2012 and is a non-cancellable lease with a 12 month term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require minimum lease payments shall be increased by the consumer price index on the first anniversary date. An option exists to renew the lease at the end of the 12 month term for an additional term of 12 months. Currently the lease is 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.

There has been no change in contingent liabilities since the last annual reporting date other than resulting from a mandate and subsequent deed of settlement dated 25 October 2013 between the Company and LinQ Corporate Pty Ltd ("LinQ"). 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.

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 2014, the Group had no development assets. The Board considers that it has only operated in one segment, being mineral exploration within Australia.

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

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

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

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	
		2014 %	2013 %
Delgare Pty Ltd	Australia	**100**	100
Ventnor Pilbara Pty Ltd	Australia	**100**	100
Ventnor Mining Pty Ltd	Australia	**100**	100
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	
	2014	**2013**
	$	**$**
Assets		
Current Assets	**1,197,941**	285,470
Non-current asset	**12,275,061**	15,582,038
Total assets	**13,473,002**	15,867,508
Liabilities		
Current Liabilities	**94,458**	2,208,929
Total liabilities	**94,458**	2,208,929
Equity		
Issued capital	**18,774,150**	16,879,224
Reserves	**1,467,366**	1,430,506
Accumulated losses	**(6,862,972)**	(4,651,151)
Total equity	**13,378,544**	13,658,579
Financial Performance		
Loss for the year	**(2,211,821)**	(1,827,058)
Other comprehensive income	**-**	-
Total comprehensive loss	**(2,211,821)**	(1,827,058)

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 2014.

	Consolidated	
	2014 **$**	**2013** **$**
Short-term benefits	**373,333**	527,000
Post-employment benefits	**15,802**	21,750
Share-based payments	**-**	-
	389,135	548,750

(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 $60,929 (2013: $25,724) and charged shared expenses of $30,750 (2013: $11,758) to Crucible Gold Limited and Kunene Resources Limited (formerly Bannon Limited). Mr Peter Pawlowitsch, a director of the Company is also a director of Crucible Gold Limited and Kunene Resources Limited.

21. *Share Based Payments*

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

Share based payments – deferred exploration expenditure	**-**	596,082
Share based payments – Joint Venture transaction costs	**36,860**	-
	36,860	596,082

(b) Summary of share-based payments

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

During the previous financial year, the company issued 1,257,559 shares on 14 November 2012 in payment of exploration services invoices with total value of $596,082.

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

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

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

Grant Date	Expiry Date	Exercise Price	Balance 01/07/12	Granted during the year	Exercised during the year	Expired or Change due to Resignation	Balance 30/06/13	Number vested and exercisable
15/11/2010	15/11/2013	$0.25	11,000,000	-	-	-	11,000,000	11,000,000
20/04/2011	15/11/2013	$0.25	1,066,668	-	(390,747)	-	675,921	675,921
2/08/2011	29/06/2014	$0.25	250,000	-	-	-	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
			14,866,668	-	(390,747)	-	14,475,921	14,475,921
Weighted average exercise price			$0.27	-	$0.25	-	$0.27	$0.27

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	15/11/2010	20/04/2011	2/08/2011	16/08/2011	20/01/2012	23/01/2012	6/12/2013
Dividend yield (%)	-	-	-	-	-	-	-
Expected volatility (%)	125%	110%	110%	110%	150%	150%	100%
Risk-free interest rate (%)	4.75%	5.07%	4.58%	4.58%	3.55%	3.55%	3.075%
Expected life of options (years)	3	2.7	2.9	3	3	3	3
Underlying share price ($)	$0.10	$0.28	$0.19	$0.15	$0.62	$0.67	$0.125
Option exercise price ($)	$0.25	$0.25	$0.25	$0.26	$0.80	$0.80	$0.1548
Value of option ($)	$0.0421	$0.0217	$0.1151	$0.0878	$0.4906	$0.5354	$0.07372

(c) Weighted average remaining contractual life

The weighted average remaining contractual life of share-based payment options that were outstanding as at 30 June 2014 was 0.578 years (2013: 0.536 years).

(d) Weighted average fair value

The weighted average fair value of share-based payment options granted during the year was $0.07372 each (2013: nil).

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	
	2014 $	**2013 $**
Financial Assets		
Cash and cash equivalents (interest-bearing accounts)	**1,158,099**	241,499
Net exposure	**1,158,099**	241,499

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%	**5,790**	1,207
- 0.5%	**(5,790)**	(1,207)
Equity – higher / (lower)		
+ 0.5%	**5,790**	1,207
- 0.5%	**(5,790)**	(1,207)

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 $
2014					
Financial Assets:					
Non-interest bearing	-	**44,064**	-	-	**42,000**
Variable interest rate	**2.25**	**1,158,099**	-	-	-
Fixed interest rate	-	-	-	-	-
		1,202,163	-	-	**42,000**
Financial Liabilities:					
Non-interest bearing	-	**58,148**	-	-	-
		58,148	-	-	-
2013					
Financial Assets:					
Non-interest bearing	-	86,904	-	-	43,100
Variable interest rate	4.00	241,499	-	-	-
Fixed interest rate	-	-	-	-	-
		328,403	-	-	43,100
Financial Liabilities:					
Non-interest bearing	-	423,689	-	-	-
Fixed interest rate	15.00	-	-	1,991,622	-
		423,689	-	1,991,622	-

22. *Financial Risk Management (Cont.)*

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.

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 2014 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*

At the date of this financial report the following accounting standards, which may impact the consolidated entity in the period of initial application, have been issued but are not yet effective:

Reference	**Title**	**Summary**	**Application date (financial years beginning)**
AASB 9	*Financial Instruments*	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 January 2017

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 2014 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, 22 September 2014

RSM Bird Cameron Partners

RSM Bird Cameron Partners
8 St George's Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9101
www.rsmi.com.au

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 2014, 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.

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 2014 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 2014. 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 2014 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS

David Wall

Perth, WA
Dated: 22 September 2014

DAVID WALL
Partner

RSM Bird Cameron Partners
8 St George's Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 **F** +61 8 9261 9101
www.rsmi.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Ventnor Resources Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

David Wall

Perth, WA
Dated: 22 September 2014

DAVID WALL
Partner

HOLDINGS AS AT 16 SEPTEMBER 2014

Number of Securities Held	FULLY PAID SHARES No. of Holders	No. of Shares
1 to 1,000	56	27,851
1,001 to 5,000	144	471,162
5,001 to 10,000	167	1,450,751
10,001 to 100,000	527	20,543,626
100,001 and over	166	95,843,327
Total Number of Holders	1,060	118,336,717
Number of holders of less than a marketable parcel	239	739,864
Percentage of the 20 largest holders		43.38%

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 19 September 2013:

Fully Paid Ordinary Shares

		Number	%
1.	Goldbondsuper Pty Ltd (Goldbond Superfund A/C)	8,481,787	7.17
2.	Mash Super Pty Ltd (Maluish English Super Fund A/C)	4,666,667	3.94
3.	Deborah Mary Schwann (Peter Schwann Family Trust A/C)	3,550,000	3.00
4.	Sell Power Pty Ltd (Sellpower Super Fund A/C)	3,384,782	2.86
5.	Neeltje Elisabeth Renes (Executor for the estate of the late Warwick John Flint)	3,000,000	2.54
6.	Blue Spec Mining Pty Ltd	2,867,956	2.42
7.	Phillip Richard Perry	2,861,905	2.42
8.	HSBC Custody Nominees (Australia) Limited	2,375,000	2.01
9.	J P Morgan Nominees Australia Limited	2,200,000	1.86
10.	Haven Super Pty Ltd (Haven Super A/C)	2,005,000	1.69
11.	Andrew Maluish Super Pty Ltd (Andrew Maluish S/Fund A/C)	2,000,685	1.69
12.	P R Perry Nominees Pty Ltd (Donesk Family A/C)	1,943,515	1.64
13.	Eileen Anne English	1,786,189	1.51
14.	P R Perry Nominees Pty Ltd (Family A/C)	1,679,905	1.42
15.	UBS Wealth Management Australia Nominees Pty Ltd	1,546,618	1.31
16.	Lesuer Pty Ltd (PMB Super Fund A/C)	1,500,000	1.27
17.	P R Perry Nominees Pty Ltd (P R Perry Family A/C)	1,436,782	1.21
18.	Peter Bernard Schwann	1,403,000	1.19
19.	Denkey Pty Ltd Jason Agapiou	1,400,000	1.18
20.	Grosvenor Pirie Management Ltd (Roslyn No 4 Super Fund A/C)	1,250,000	1.06
		51,339,791	43.38

Unlisted Options

Details of unlisted option holders are as follows:

Class of unlisted options	Number of Options	Number of Holders
Options exercisable at 26 cents each on or before 12 August 2014	2,000,000	4
Holdings of more than 20% of this class		
- Bruce Maluish	800,000	
- John Charles Geary	600,000	
Options exercisable at 80 cents each on or before 20 January 2015	550,000	4
Holdings of more than 20% of this class		
- Neds Creek Investments Pty Ltd	250,000	
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	

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.

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

Bronzewing North Project - Gold

Tenement	Status	Holder / Applicant	Interest (%)
P53/1547	Granted	Ventnor Pilbara Pty Ltd	100
P53/1548	Granted	Ventnor Pilbara Pty Ltd	100
P53/1549	Granted	Ventnor Pilbara Pty Ltd	100
P53/1550	Granted	Ventnor Pilbara Pty Ltd	100
P53/1551	Granted	Ventnor Pilbara Pty Ltd	100

Black Dragon Project - Gold

Tenement	Status	Holder / Applicant	Interest (%)
ELA39/1828	Application	Ventnor Resources Ltd	100

QUEENSLAND

Georgina Basin Project – Iron Oxide-Copper-Gold

Tenement	Status	Holder / Applicant	Interest (%)
EPM18389	Granted	Ventnor Mining Pty Ltd	100
EPM18390	Granted	Ventnor Mining Pty Ltd	100