

25 October 2013

JOINT VENTURE WITH SANDFIRE RESOURCES TO FUND THADUNA/GREEN DRAGON THROUGH TO PRODUCTION

Highlights

- 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 pay \$9M in three tranches to earn an 80% interest including sole funding the next \$6M of pre-development costs;
- Toll treatment costs at C1 operating costs.

Australian base-metals company Ventnor Resources Limited (ASX: VRX) (**Ventnor** or **Company**) is pleased to advise that the Company and Sandfire Resources NL (ASX: SFR) (**Sandfire**) have executed a landmark transaction (**Transaction**) designed to fast-track Ventnor's Thaduna/Green Dragon Copper Project (**Project**) into production while removing the need for Ventnor to raise additional funding for mine development.

The Transaction comprises 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.

In the past six months the Ventnor Board has undertaken a thorough process to secure the future development of the Thaduna/Green Dragon Copper Project in a difficult funding environment with the key objectives of delivering maximum future value and minimising dilution for shareholders. The Board believes the agreement with Sandfire fulfils this objective.

Ventnor Managing Director Mr Bruce Maluish said: *"The Board is very pleased to announce the conclusion of its discussions with a range of parties which resulted in this landmark agreement with Sandfire. This outcome represents a unique solution for the Company to secure the development of the Thaduna/Green Dragon Copper Project with an unrivalled partner in the region."*

We look forward to working with Sandfire to maximise the value of the Project. This outcome will also allow us to expand our focus on the other prospects in our portfolio."

"The Transaction allows the Company to form a joint venture with Sandfire and assess the possibility of developing the Project utilising Sandfire's existing plant and infrastructure. This will substantially reduce the overall capital required and

ASX: VRX

Capital Structure

Shares on Issue 71.0 million

Unlisted Options 25.0 million

Market Cap @ 37¢ \$30 million (Fully Diluted)

Corporate Directory

Paul Boyatzis

Non-Executive Chairman

Bruce Maluish

Managing Director

John Geary

Executive Director

Peter Pawlowitsch

Non-Executive Director

Company Projects

Thaduna/Green Dragon Copper Project in the Doolgunna district, WA

Kumarina exploration project north of Meekatharra, WA

Warrawanda Nickel Project south of Newman, WA

Georgina Basin IOCG Project in western Queensland

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 is then free to receive what it hopes will be a significant quarterly dividend from the Joint Venture."

Sandfire will initially acquire 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 (including any loans).

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 is subject to Ventnor shareholder approval. A Notice of Meeting with further details will be sent out to Ventnor Shareholders in due course. Ventnor's directors have agreed to support the Transaction and, in the absence of a superior proposal, intend to vote their shares in favour of it.

The Board is excited with the prospect to advance the Project and will move its attention to other projects in its portfolio.

Ventnor was advised on the Transaction by LinQ Corporate Pty Ltd.

For further information please contact:

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ABOUT VENTNOR

Ventnor Resources is a base-metals focused explorer with copper targets at the historic Thaduna/Green Dragon project, 170 km north of Meekatharra in Western Australia. Also in Western Australia, 40 km south of Newman, are the Warrawanda nickel project, and the extensive Kumarina Exploration Project, 200 km north of Meekatharra. In western Queensland, the Georgina Basin project lies within the Mt Isa Inlier, which is well endowed with Iron Oxide Copper Gold ("IOCG") systems and sulphide base-metal deposits.

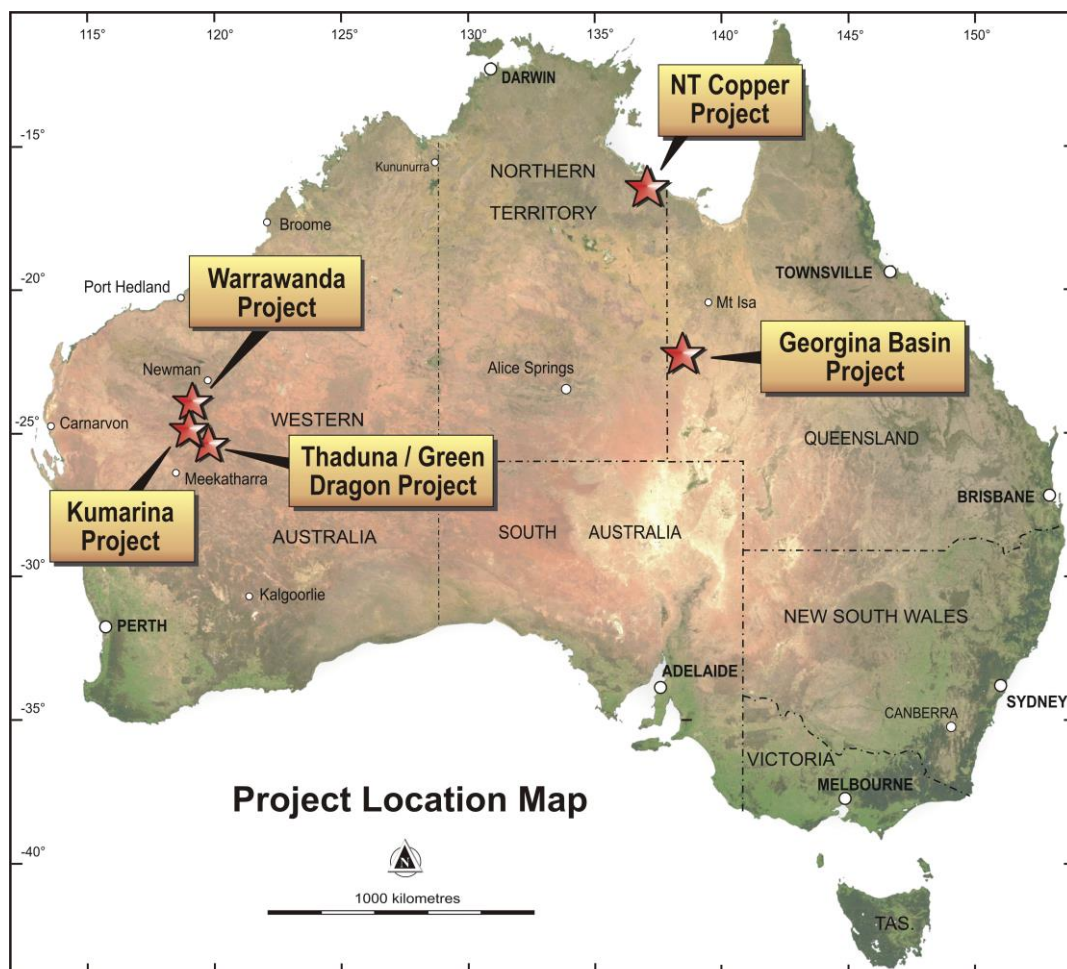
Known Copper and Nickel Mineralisation

The Thaduna/Green Dragon copper project has historic mine production; copper mineralisation has been confirmed with four phases of exploration drilling; a Scoping Study has confirmed the economic potential of the project. A deal has been transacted with Sandfire Resources to develop the project and to treat ore. The prospectivity of the Warrawanda nickel project was increased when nickel gossans were identified in recent years. Further work is planned for early 2014. The HyMap survey at Kumarina has identified areas of interest that will be followed up with ground surveys later in 2013.

Proven Management

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

PROJECT LOCATIONS



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