

VENTNOR RESOURCES LIMITED

ABN 59 142 014 873

HALF-YEAR FINANCIAL REPORT

FOR HALF-YEAR ENDED

31 DECEMBER 2012

CORPORATE DIRECTORY

DIRECTORS

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

SECRETARY

John Geary

REGISTERED AND PRINCIPAL OFFICE

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SHARE REGISTRY

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AUDITORS

RSM Bird Cameron Partners
8 St George's Terrace
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AUSTRALIAN SECURITIES EXCHANGE

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

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2012. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

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

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

REVIEW OF OPERATIONS

The net loss for the half-year attributable to members of Ventnor Resources Limited was \$998,300 (2011: loss of \$995,320).

EXPLORATION ACTIVITIES SUMMARY

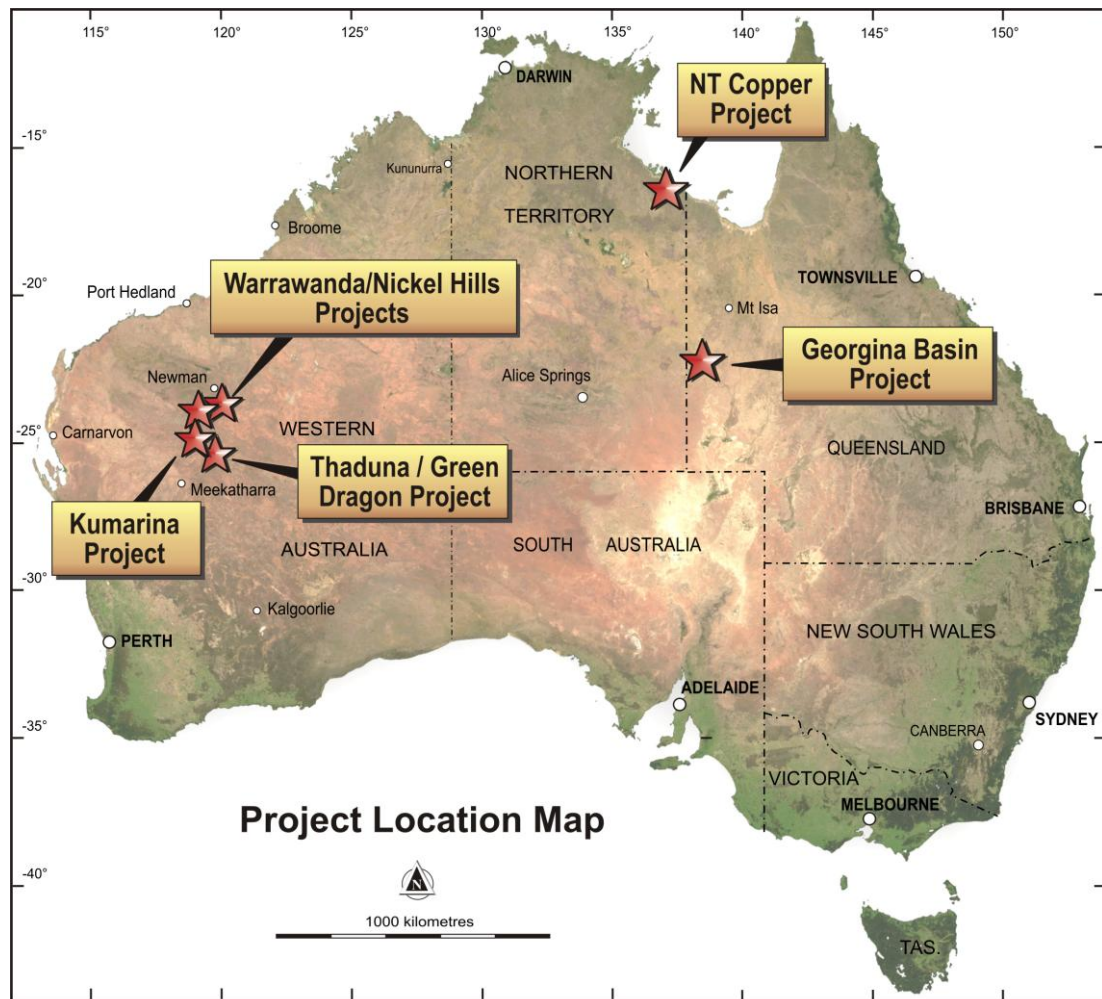
THE COMPANY

Ventnor Resources Ltd (**ASX: VRX**) ("Ventnor" or "the Company") is an ASX Listed exploration company focusing on the exploration and development of copper resources in Australia. Ventnor provides the following information concerning the Company assets and a review of field operations for the period.

THE PROJECTS

Ventnor has tenement holdings in five geographic regions;

- The Thaduna and Green Dragon copper project in the Gascoyne region, Western Australia.
- The Kumarina copper project in the Gascoyne region, Western Australia.
- The Warrawanda and Nickel Hills nickel project in the Pilbara region of Western Australia.
- The north east of Northern Territory which is a known copper precinct.
- The Georgina Basin IOCG project in north western Queensland.



During the half year under review Ventnor continued to concentrate its activities on the Phase 4 and Deeps drilling program to advance the Thaduna/Green Dragon Copper Project by producing a JORC compliant maiden Resource calculation and continues to work toward upgrading the Resource.

This Phase 4 drilling program was extended early in the period by 6,000 metres which has been completed and has been followed up by the Deep drilling campaign because of the continuous discovery of significant high-grade zones of strong bornite mineralisation.

During the period the Company still experienced slow assay turnaround times at the laboratories for the samples generated at Thaduna/Green Dragon.

At the Company's other projects Ventnor met all exploration commitments and maintained all tenements in good standing.

THADUNA/GREEN DRAGON COPPER PROJECT

Ventnor's 100% owned flagship Thaduna/Green Dragon Copper Project is located 170km north of Meekatharra, Western Australia, in the Doolgunna district, and 40km east of Sandfire's DeGrussa project.

The discovery early in the period of high-grade strong bornite mineralization as the primary sulphide resulted in higher copper grades and also reinforced the Company's confidence that Thaduna/Green Dragon is a quality copper project.

The significance of the increasing presence of primary bornite, compared to primary chalcopyrite, lies in the increase in relative copper by weight %. Chalcopyrite, $\text{CuFe}^{2+}\text{S}_2$, is 34.6% Cu compared with Bornite, $\text{Cu}_5\text{Fe}^{2+}\text{S}_4$, is 63.3% Cu, an increase of 183% in Cu for the same mass of sulphide.

During August and September the Company announced the results of significant high-grade intersections of bornite mineralisation but it was later in the period, (October 31, 2012) which was notable for Ventnor as the Company achieved a 'milestone event' with the announcement of its maiden JORC compliant Resource.

Ventnor announces maiden JORC resource at Thaduna/Green Dragon Copper Project

Highlights:

- **Maiden JORC Resource 100,000 tonnes contained copper**
- **Resource open along strike and down dip**
- **10 deep holes with sulphide intersections and assays pending not included in Resource estimate**
- **Drilling continuing which will contribute to a later Resource update**
- **Deep drilling planned for Q4 2012**

At the time of making the announcement Ventnor Managing Director Bruce Maluish said:

"This is a milestone event for the project and will allow the Company to progress to a scoping study for the open cut potential of this Resource. This allows the project to advance while drilling is underway to continue to investigate the underground potential below an open pit. We have completed in excess of 38,000 metres of drilling on the project since listing in February 2011 and the bulk of this drilling has contributed to the Resource estimate".

In addition to the drilling included in this Resource calculation there were still assays from 10 more diamond holes either completed or to be drilled at Thaduna, and 2 diamond holes at Green Dragon. Ventnor announced it planned to update the maiden JORC Resource with this extra drilling early in 2013.

DIRECTORS' REPORT

Resource Estimation

Cube Consulting undertook the JORC Compliant Resource estimate on the Thaduna/Green Dragon copper deposits based on data and geological interpretations provided by Ventnor.

A total Indicated and Inferred Resource of 6.33 Mt @ 1.60% Copper (Cu) and 2.77 g/t Silver (Ag) for 101,413 tonnes of contained copper and 563koz of silver was estimated for both deposits at a nominal 0.5% cut off grade, see Table below for the breakdown.

A portion of the historic stockpiled material from the open cut mining operation which concluded in 1971 was added to Cube's estimated Resource. This estimate was based on November 1989 work by Barrack Mines Ltd which included RC drilling, grab sampling and auger drilling over the various stockpiles at Thaduna to estimate the summary included in the Resource table below. This estimate compared favourably with earlier work by Ferrovanadium in 1974.

Project	Type	Category	Tonnage	Cu	Ag	Cu metal	Ag metal
			(Kt)	(%)	(g/t)	(Kt)	('000 oz)
Green Dragon	Oxide/ Secondary Sulphide	Indicated	347	1.10	1.5	38	17
		Inferred	-	-	-	-	
	Sulphide	Indicated	1,290	1.40	2.4	181	100
		Inferred	254	1.37	2.2	35	18
	SubTotal Green Dragon		1,891	1.34	2.2	254	134
Thaduna	Oxide/ Secondary Sulphide	Indicated	417	1.45	2.0	60	27
		Inferred	175	1.36	3.1	24	18
	Sulphide	Indicated	3,083	1.64	2.9	506	285
		Inferred	679	2.23	4.5	151	99
	SubTotal Thaduna		4,355	1.70	3.1	742	429
Stockpiles	Oxide	Indicated	82	2.25	-	18	-
		Inferred	3	1.08	-	0	-
	SubTotal Stockpiles		85	2.21	-	19	-
Total Indicated			5,219	1.5	2.6	80	428
Total Inferred			1,111	1.9	3.8	21	135
Grand Total			6,331	1.6	2.8	101	563

Thaduna

A total of 136 RC and Diamond holes were used in the Resource estimation for the Thaduna deposit. Six wireframe domains were created to constrain the mineralisation which has a total drilled strike length of 1,650 metres to a maximum vertical depth of 360 metres.

The Thaduna resource has been classified as Indicated down to ~300m vertically. Drilling since the cutoff date for the Resource has generated an additional 15 infill and extensional intersections that will be used to generate an updated Resource model (refer Activities Subsequent to the Period).

Ventnor advised the market that the updated Resource will include holes such as THRC220 (see deeper drilling section below) and extend the resource below 450 metres vertical.

Green Dragon

A total of 70 RC holes were used in the Resource estimation for the Green Dragon deposit. Eight wireframe domains were created to constrain the mineralisation which has a total drilled strike of 500 metres to a maximum vertical depth of 220 metres.

Resource Estimation Summary – Thaduna and Green Dragon

The resource estimate was based on a compilation of 303 Reverse Circulation drill holes. Of these, 208 were on the Thaduna Deposit (49 with Diamond tails) and 95 on the Green Dragon Deposit (2 with Diamond tails). An additional Diamond drill hole was also completed on the Green Dragon Deposit from the surface.

Drill spacing is nominally 40m X 40m spaced sections for the bulk of the deposit. All drilling has been geologically logged with samples collected by either riffle splitting of RC chips on 1m intervals down hole or NQ-sized half core split samples for diamond drilling. Samples were submitted to Genalysis Laboratories in Perth and analysed for Cu and Ag by ICP. When Cu results were higher than the detection limit of the analytical method, an ICP ore grade method was used. All assays were required to conform to Ventnor Resources QA/QC guidelines as well as internal laboratory QA/QC guidelines. All holes have been located by RTK GPS on surface. Down hole survey has been measured predominantly by single shot instrument, with 45 drill holes in Green Dragon also measured by FlexIT MultiSmart. For 37 drill holes no down hole survey data was available and was therefore assigned according to surrounding drilling. *Since the maiden estimate the holes have been re-surveyed.*

Several grade domains have been interpreted from the geological and assay data received. These domains were based on a nominal 0.2% Cu grade boundary and include mineralised areas identified as supergene, secondary, and primary. A total of 6 domains were interpreted for Thaduna whilst 8 domains were modelled for Green Dragon. A minimum down hole length of 2m was interpreted. All domains were interpreted in 3-dimensions utilising Surpac Software, and wire-framed into either solid 3dm's for grade domains, or dtm surfaces for weathered domains.

Statistical analysis, grade interpolation and block modelling were undertaken by Cube Consulting, in consultation with Ventnor staff. Grade domain data were extracted from the database as 2m down-hole composites for all domains. Data were statistically analysed for the selection of appropriate top cuts, with a 7% Cu top-cut applied to all domains. Geostatistical analysis using semi-variograms generated from the composite data was undertaken to provide both search neighbourhood as well as kriging parameters for grade interpolation.

Block models were created for the Thaduna and Green Dragon projects. Qualitative Kriging Neighbourhood Analysis was used to identify the optimal block size, with a block size of 20m x 20m x 2m (x, y, z) being assigned to Thaduna and a size of 20m x 20m x 2m (x, y, z) to Green Dragon. Bulk density values were assigned to the model based on weathering domains. Appropriate bulk density values were estimated based on historic measurements taken at the old Thaduna mine. *Since the estimate, in excess of 60 samples have had SG determinations.*

Grade was interpolated by 3-dimensional Ordinary Kriging for all domains. Several check grade estimates were completed utilising different estimation parameters as validation for the final grade estimate. The models were also validated by visual inspection of both the block model fill against the raw assay data, as well as the generation and inspection of grade-tonnage curves, and swath plots by easting, northing, and elevation through the deposit. Model classification for both Indicated and Inferred (in accordance with the JORC Code 2004) was based on data density, impact of down hole deviation, geological continuity, as well as analysis of slope of regression block statistics throughout the model.

Thaduna Deeps Program

During the latter part of the period, in the December quarter, Ventnor implemented a deep drilling program with spectacular success.

These holes have confirmed the presence of a broad, north plunging shoot, with a strike extent of over 400 metres. The outline of the DHEM conductor plate generated during the recent geophysical survey is shown in red and two targets have been chosen to be tested with diamond drilling.

Thaduna Deeps 1 – This target was generated from the DHEM modelling to be tested by a 520 metre deep diamond hole with a target 450 metres vertically below the surface. The DHEM off-hole conductor from THRC207 dips with the Thaduna fault but plunges steeply to the south, against the interpreted shoot which plunges moderately to the north.

Thaduna Deeps 2 – This target is the down plunge continuation of the existing identified Thaduna mineralised shoot. A 580 metre deep diamond drill hole with a target 500 metres vertically below the surface and 350 metres down plunge from the existing drilling was planned to test this target.

The success of the deep drilling program was announced to the market on the 12th of December 2012 when Ventnor released highlights from assays of the diamond drill tail on THRC 220;

Spectacular results from deep drilling at Thaduna/Green Dragon Copper Project

Highlights:

- **Diamond drill tail THRC 220 delivers high grade results:**
 - **15 metres at 5.49% copper**
 - **including 9.16 metres at 8.57% copper from 497 metres down hole**
- **Results include single highest grade assay received to date**
- **Confirmation of continuity of high-grade shoot**
- **Further deep drilling planned for Thaduna Q1 2013**

Ventnor had previously announced (November 14, 2012) that strong bornite mineralisation over 11 metres, from 497.8 metres had been intersected in THRC220, which was drilled to test the Thaduna Deeps 2 target. The receipt of the assay results confirmed the highest grade intersection to-date and reinforced the high grade potential of the Thaduna fault at depth.

These assay results supported the visual indications reported from the deep drilling program during November, and confirmed an intersection of strong bornite mineralisation over 11 metres.

Drilling was suspended for the Christmas break in mid-December 2012 and recommenced mid-January 2013. A further six holes have been planned to be drilled into the high grade shoot with the aim of producing a copper resource below the current open pit models.

DIRECTORS' REPORT

At the time of the announcement Managing Director Bruce Maluish said the latest assay results confirmed the best diamond core intersections from the project, including the single highest grade received to date.

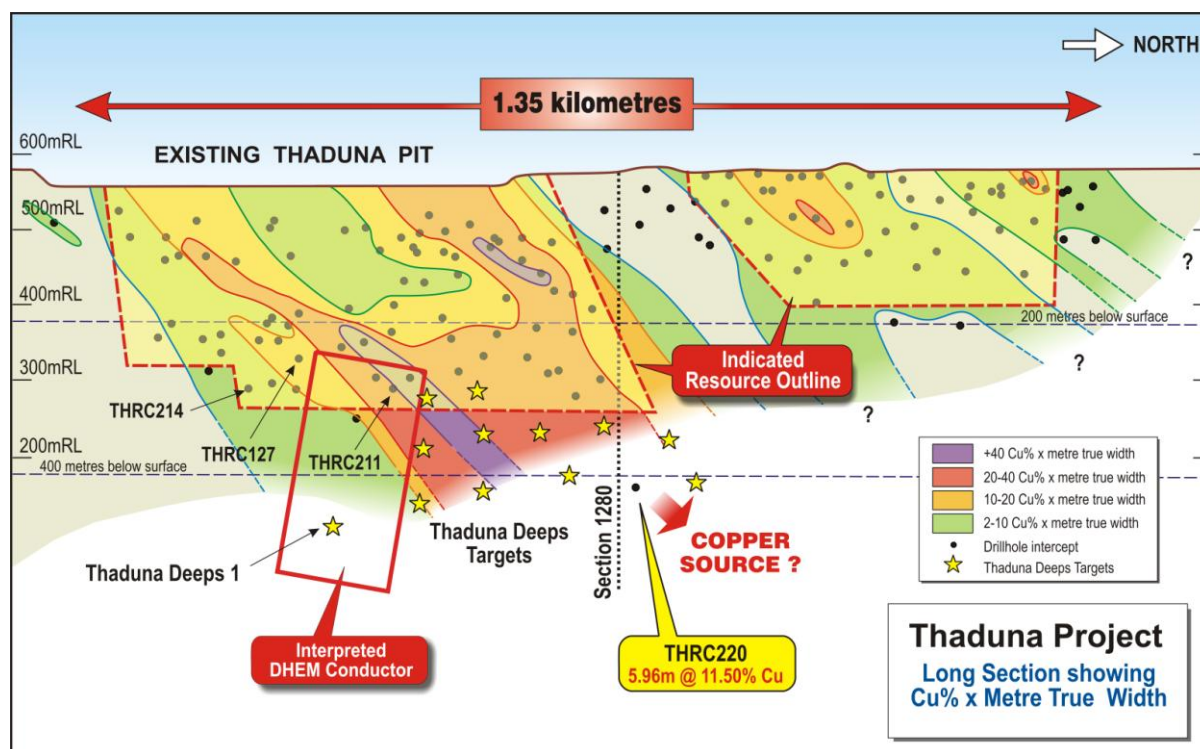
"This intersection confirms that we now have continuous copper mineralisation from surface to approximately 440 vertical metres below surface, and supports our understanding of the mineralisation profile and structural controls of this typical hydrothermal copper mineralised system," Mr Maluish said.

"We don't believe this is an isolated intersection and expect this style of mineralisation to continue down plunge."

"Drilling is still underway into this zone and these drill results will underpin a resource below the expected open cut pit, to be accessed by underground mining," said Mr Maluish.

Detailed Information

The long-section below clearly shows the significance of the intersection in THRC220. Not only is the intersection over 130 metres vertically below the indicated Resource limits, it contains the single highest grade assay to date at the project, namely **0.74m @ 17.15%Cu and 46.8g/t Ag** from **499.5m-500.24m**, and is the highest grade +1% intersection drilled at Thaduna: **9.16m @ 8.57%Cu and 27.2g/t Ag**. In terms of copper metal THRC220 returned ~90Cu % x metres, which is significantly higher than was indicated from the drilling up dip.



DIRECTORS' REPORT

The high grades associated with THRC220 are due to a predominance of bornite mineralisation combined with chalcocite overprinting, or rimming of the bornite, as illustrated in the following photograph.



Chalcocite overprinting bornite in THRC220 at 499.5 metres down hole.

The presence of chalcocite at this depth is very significant in that the chalcocite/bornite association is the evidence that supports the hydrothermal mineralising system at Thaduna, see below.

The copper deposit at Thaduna is typical of sediment-hosted copper deposits where the copper and iron sulfide minerals, chalcocite, bornite, chalcopyrite and pyrite are arranged in a systematic pattern upwards and outwards from the centre of the deposit. This zonation reflects the degree to which the host rock (here the Thaduna Fault black shale) affected the chemistry of the fluid that introduced the copper. Iron-poor minerals like chalcocite and bornite characterise the areas of strongest mineralisation. The extent of the drill coverage at Thaduna is now sufficient that the full picture of sulfide zonation has been revealed.

The original mineral zonation is later overprinted at shallow depth by secondary minerals. At the top of the system, primary chalcopyrite is oxidised and replaced by copper carbonates/oxides (malachite/azurite) and below these, as secondary sulfides (chalcocite). These secondary copper minerals define discrete shallow oxide and secondary sulfide ("supergene") zones. Below the base of oxidation, chalcopyrite is the dominant copper sulfide mineral. With greater depth, this is progressively overprinted by bornite and still deeper, the replacement of the primary bornite by chalcocite is observed (e.g. in THRC220). The net effect of this is an increase in grade with depth because chalcocite (79.8 wt% Cu) contains more copper than bornite (63.3 wt% Cu), and in turn, bornite contains more copper than chalcopyrite (34.6 wt% Cu). This is evidenced by the sharp increase in grades returned by the recent drilling.

It is interpreted that THRC220 has intersected the core of the system, and by combining the local structure and sulphide zonation together, vectors towards the source of the copper mineralisation can be determined. It would also be expected that the copper sulphide mineralogy seen in THRC220 will be reflected broadly along strike and down dip at depth.

DIRECTORS' REPORT

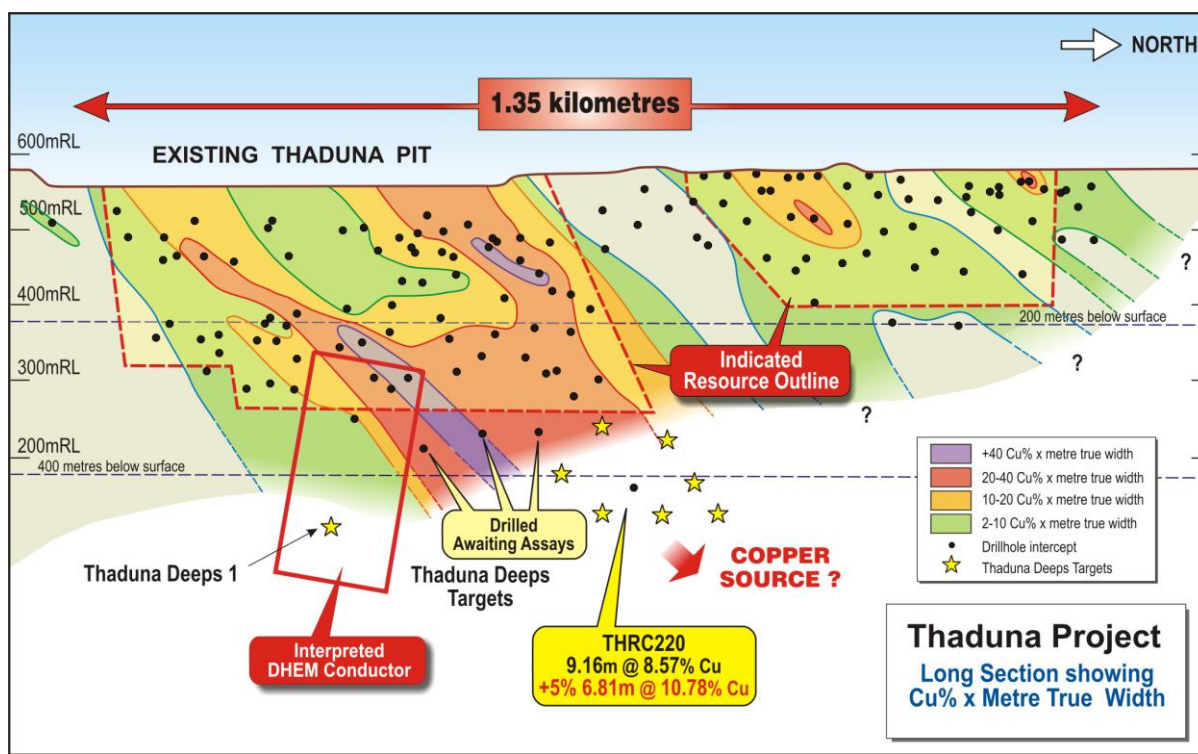
Thaduna Resource Update

The recently reported Thaduna Resource has been classified as Indicated down to ~300m vertically. Drilling since the cutoff date for the resource has generated an additional 15 infill and extensional intersections that will be used to generate an updated resource model for the Thaduna deposit (refer Activities Subsequent to the Period).

The resource update will include holes such as THRC220 and extend the resource below 450 metres vertical. Tabled below, and shown on the long-section and plan, are three recent intersections that will be included in the resource update which also indicate multiple zones at depth.

Hole Id	Easting	Northing	Az	Dip	From	To	DH m	Cu%	Ag ppm	Type
THRC127	772664	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	
THRC211	772582	7176016	042	-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	7175841	050	-60	314	327	13.00	2.07	0.3	NQ2
				Incl.	318	323	5.00	4.76	0.8	
THRC220	772296	7176167	035	-65	497	512	15.00	5.49	17.4	NQ2
				Incl	497.84	507	9.16	8.57	27.2	
				Incl. +5%	497.84	54.65	6.81	10.78	34.2	
					514	518	4.00	0.26	12.0	
					522	527	5.00	3.08	15.1	
				Incl	522	526	4.00	3.80	11.5	

DIRECTORS' REPORT



Other Project Work Conducted

In addition to the drilling and Resource estimation work a number of additional activities were undertaken on the Thaduna/Green Dragon Project in order to progress the eventual mining permit applications.

These include;

- Sterilisation drilling of the potential Plant site
- Lodging Mining Lease applications
- Lodging Miscellaneous Licence applications for access roads
- Commencing Native Title negotiations
- Conducting summer and winter Flora and Fauna surveys
- Completing water quality surveys
- Finalising independent Geotechnical studies
- Undertaking metallurgical sampling and testwork.

Metallurgical testwork program

Consultant ALS Ammtec has commenced a comprehensive metallurgical testwork program.

A series of 48 samples comprising reverse circulation and diamond drill core have been selected from varying depths and mineralisation styles across the Thaduna/Green Dragon Copper Project. The testwork includes:

- Determination of comminution and beneficiation parameters for crushing/milling flowsheet design. This work has been completed.
- Assessment of multiple flotation regimes to produce a saleable copper concentrate at optimal grades and recoveries.
- Assessment of suitability to heap leaching crushed run of mine material.

Detailed mineralogy via QEMSCAN of feed, concentrate and reject streams commenced in November.

Metallurgical summaries will be completed early Q1 2013.

Kumarina Exploration Project

Further analysis of the HyMap data was undertaken during the period which highlighted a number of zones of alteration which require field checking and surface sampling. An initial fieldwork program is planned for Q1 2013.

HyVista is a multi spectral survey to focus future exploration in the area. The project area is eminently suitable for HyVista as it is large, continuous and with sparse vegetation and the survey is conducted by non-surface disturbing aerial data capture. The aerial mapping exercise has been completed and data processing is currently underway.

HyVista remote sensing is a mineral mapping technology which can be used to focus exploration on large areas. Its fundamental principles are based on the spectral signatures of surface materials. Each four metre pixel of a hyperspectral image contains a spectrum which forms the basis for determining the materials present by interrogating the reflected image. Surface mineralogy and other components are mapped using component signatures or specific target spectral signatures of known materials.

The data can be interrogated for one or a combination of the spectral signatures from a catalogue of over 2,000 minerals down to an individual four metre pixel. This data can be used to focus exploration to specific selected targets and is a unique tool for exploration over large un-explored areas, such as the Kumarina Exploration Project.

Warrawanda and Nickel Hills Nickel Project

No work was undertaken during the period.

Northern Territory

No work was undertaken during the period.

Queensland – Georgina Basin

Pastoral access agreements were negotiated and executed to undertake a drilling program targeting the co-incident mag/gravity anomaly with a deep orientation diamond drill hole. No field work was undertaken during the period.

ACTIVITIES SUBSEQUENT TO THE PERIOD

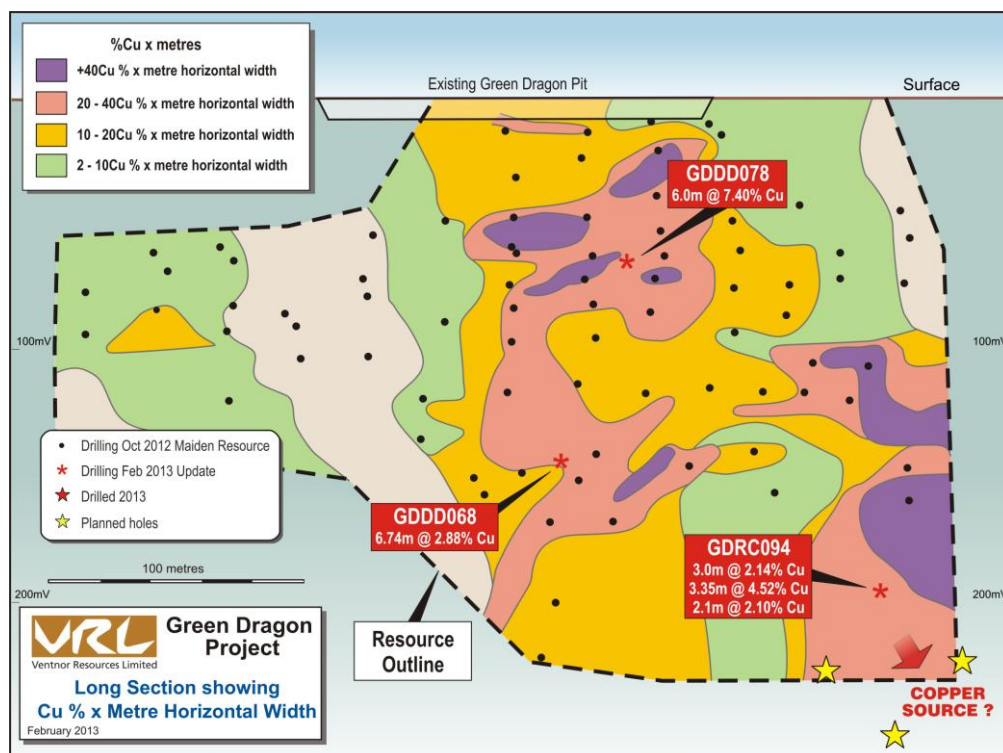
Subsequent to the end of the period, during February 2013 Ventnor made two important announcements to the ASX. The first was of a new high grade shoot at Green Dragon, as follows;

New high grade shoot at Thaduna/Green Dragon Copper Project

Highlights:

- **Diamond drill tail GDRC 94 delivers high grade results at Green Dragon:**
 - **10 metres at 2.28% copper - including 3.22 metres at 6.60% copper from 207 metres down hole**
- **Results confirm “new” high-grade plunging shoot at Green Dragon**
- **Further deep drilling planned for Green Dragon Q2 2013, with upgraded Resource estimate Q1**

The results support the visual indications reported recently from an intersection of significant strong bornite mineralisation over 10 metres in a deeper diamond hole drilled below previous high-grade results.



DIRECTORS' REPORT

Managing Director Bruce Maluish said a key aspect of the latest results was the fact the bornite has been intersected at Green Dragon.

"The significance of the increasing presence of primary bornite, compared to primary chalcopyrite, lies in the increase in relative contained copper by weight. Chalcopyrite, $\text{CuFe}^{2+}\text{S}_2$, is 34.6% Cu compared with Bornite, $\text{Cu}_5\text{Fe}^{2+}\text{S}_4$, which is 63.3% Cu, a significant increase in Cu for the same mass of sulphide," Mr Maluish said.

"We know what occurrences of bornite means in the profile of a hydrothermal copper mineralised system from our deeper drilling at the Thaduna prospect," Mr Maluish said.

"This drill hole was one of the last to be drilled in to the Green Dragon prospect but will be followed up with holes to investigate the potential for mineralisation to continue down plunge. Results from the latest drilling program will contribute to a new resource, which is expected to be announced this quarter," said Mr Maluish.

The second important event subsequent to the end of the period was the upgrade in the Resource by 40%;

40% increase in Resource at Thaduna/Green Dragon Copper Project

Highlights:

- **40% increase in copper Resources to 142,000t**
- **Resource predominately in Indicated category**
- **Drilling to 450m shows continuity and increasing grades at depth**
- **Further deep drilling underway targeting additional Resources**
- **Metallurgical testwork being completed**
- **Scoping Study results due shortly**

The updated JORC Resource is:

- **7.9 million tonnes at 1.8% copper (Cu) for 142,000 tonnes of contained copper;**
and
- **3.7 g/t silver (Ag) for 945,000 ounces.**

This represents a 40% increase in contained copper from the maiden Resource announced in October 2012. The drilling, which is to a depth of 450 metres down the high grade shoot, also shows both continuity at depth, and Increasing copper grades at depth.

Ventnor's Managing Director Bruce Maluish said, "Today's announcement represents another milestone for Ventnor as we seek to develop a mine at Thaduna/Green Dragon".

"The scale of the increase is due to higher-grade ore that has been intersected beneath the previous Resource envelope, which has significantly increased the overall grade of the resource".

Ventnor commissioned independent consultants Cube Consulting to undertake the estimate, following the completion of additional drilling up until the Christmas break in 2012.

DIRECTORS' REPORT

Resource Estimation

The total Indicated and Inferred Resource is now 7.84Mt @ 1.80% Cu and 3.7g/t Ag for 141,509 tonnes of contained copper and 945koz silver at a nominal 0.5% Cu cut-off grade. (See Table below for the breakdown.)

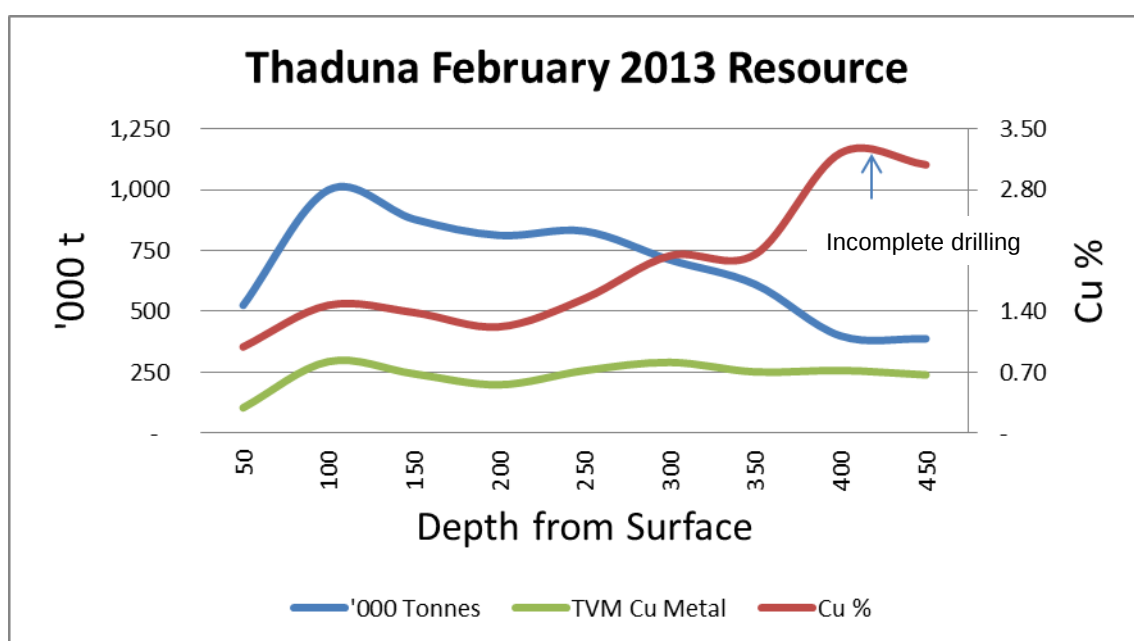
The increases are due to additional drilling, which had generally intersected higher grade ore thus resulting in a 13% additional copper grade. The additional drilling also increased the total tonnage by 25% from the previous estimate.

Project	Type	Category	Tonnage	Cu	Ag	Cu metal	Ag metal
			(Kt)	(%)	(g/t)	(Kt)	('000 oz)
Green Dragon	Oxide/ Secondary Sulphide	Indicated	334	1.17	1.6	3.9	18
		Inferred	-	-	-	-	
	Sulphide	Indicated	1,228	1.42	2.1	17.4	81
		Inferred	331	1.66	2.4	5.5	25
	SubTotal Green Dragon		1,892	1.42	2.0	26.8	124
Thaduna	Oxide/ Secondary Sulphide	Indicated	403	1.46	2.2	5.9	28
		Inferred	118	1.41	2.4	1.7	9
	Sulphide	Indicated	3,229	1.67	3.2	53.9	332
		Inferred	2,161	2.41	6.5	52.1	452
	SubTotal Thaduna		5,910	1.92	4.3	113.5	821
Stockpiles	Oxide	Indicated	82	2.25	-	1.8	-
		Inferred	3	1.08	-	0.0	-
	SubTotal Stockpiles		85	2.21	-	1.9	-
Total Indicated			5,300	1.6	2.7	83	459
Total Inferred			2,600	2.3	5.8	59	486
Grand Total			7,900	1.8	3.7	142	945

Thaduna Resource Update

An additional 19 Diamond holes have been used in the February 2013 Resource estimation upgrade for the Thaduna deposit. The six wireframe domains were updated, and constrain the mineralisation which has a total drilled strike of 1,650 metres to a maximum vertical depth of 500 metres.

At Thaduna the total estimated Resource is 5.910Mt @ 1.92% Cu and 4.3g/t Ag for 113.5kt Cu and 821Koz Ag. This equates to a 36% increase in tonnage, and a 13% increase in copper grade, for a 53% increase in contained copper. The bulk of the increase occurred in the Sulphide Inferred category due to the additional drilling that was completed beneath the previous estimate. This category now stands at 2.161Mt @ 2.41% Cu and 6.5g/t Ag for 52.1kt Cu and 452Koz Ag respectively. The silver estimation also increased in line with the increase in copper grades with a consistent ~2.5 g/t Ag.



Thaduna Resource model by 50 metre vertical interval

The above graph shows the Thaduna Resource model reported on a 50 metre vertical depth interval from the surface. What is evident from the graph is the consistency of the copper deposition from top to bottom. With the exception of the top 50 metres, which have been mined previously, the Thaduna Resource averages ~250 tonnes of copper metal per vertical metre over a vertical depth of 400 metres of drilled Resource. It can be seen clearly that the grade of the Resource is increasing with an inversely proportional reduction in tonnage due to the reduction in strike length.

The drilling since mid-2012 has been specifically targeting the central high grade zone which is approximately 400 metres in strike length.

DIRECTORS' REPORT

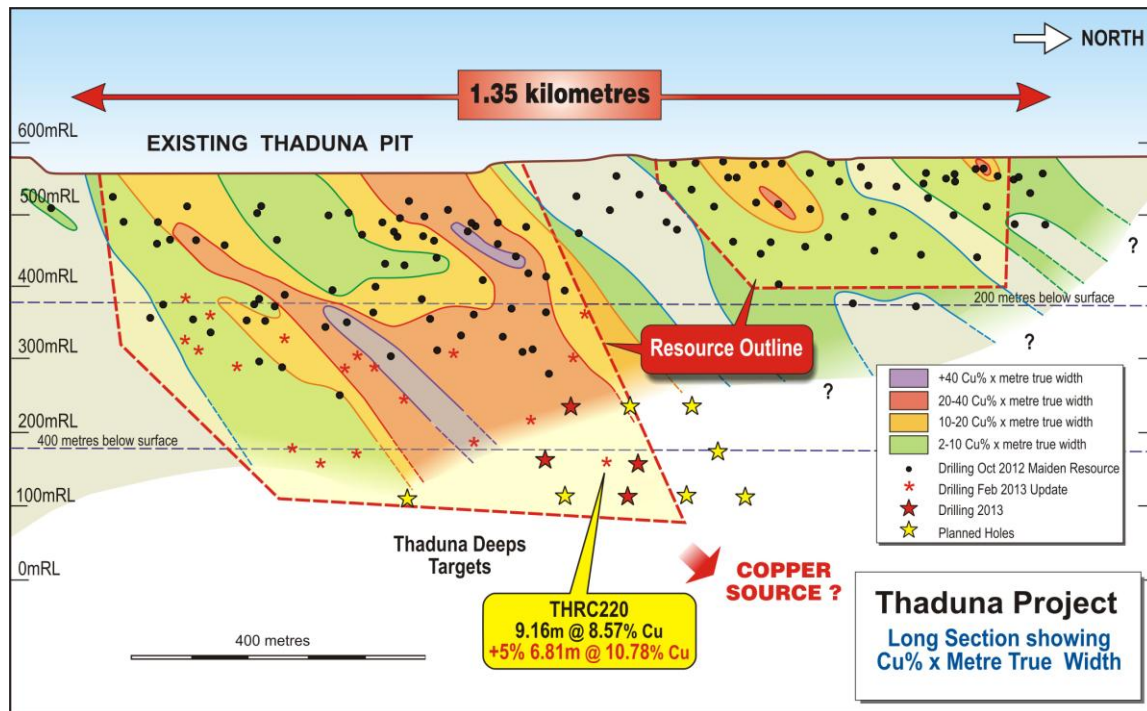
Below is a table of diamond drill intersections, which are within the Resource and below 250 metres in vertical depth. Despite many mineralised intersections having wide zones or multiple zones, there are considerable zones which are approximately 5 metres in width at >5% Cu. These zones present a target for an underground mining resource.

Combined with the high grade shoot 400 metre strike length identified to date and the high grade intersections, these results justify the continued deep drilling currently underway.

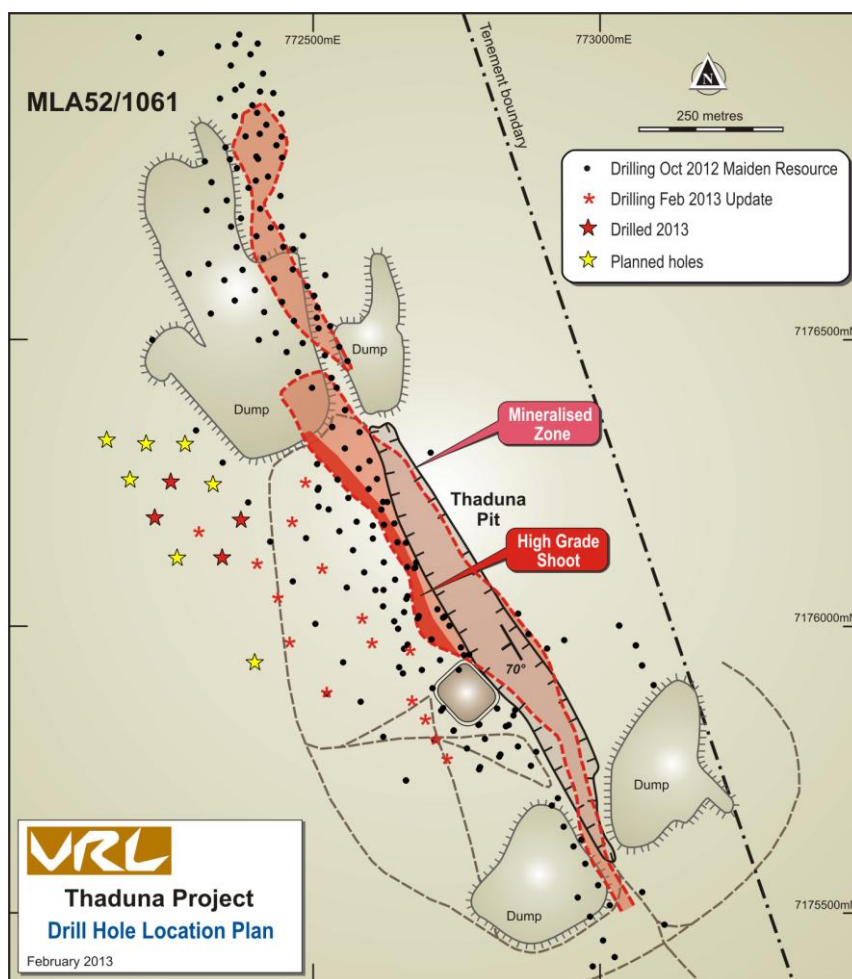
Hole Id	MGA_East	MGA_North	Az	Dip	From	To	DH m	Cu%
THRC127	772664	7175961	61	-59	285.00	288.00	3.00	4.74
THRC149	772619	7175810	35	-60	362.60	365.65	3.05	4.39
THRC158	772618	7176038	32	-60	269.00	272.00	3.00	2.87
					312.00	317.00	5.00	4.94
THRC159	772605	7176066	36	-60	263.87	268.00	4.13	3.09
					267.00	273.00	6.00	3.38
					313.00	322.48	9.48	4.40
					324.00	327.44	3.44	5.45
					334.25	340.00	5.75	5.17
THRC177	772421	7176150	38	-60	331.00	336.00	5.00	6.28
THRC194	772484	7176156	35	-60	299.00	303.00	4.00	4.39
THRC195	772555	7176070	39	-61	322.00	325.00	3.00	4.97
THRC203	772500	7176007	37	-59	410.60	416.00	5.40	3.87
THRC204	772461	7176081	35	-59	322.00	326.00	4.00	6.49
THRC207	772655	7175963	37	-60	286.00	293.35	7.35	8.71
THRC210	772513	7176104	47	-61	315.00	321.00	6.00	5.01
THRC211	772582	7176016	43	-60	320.00	323.00	3.00	3.46
					333.00	337.00	4.00	4.26
THRC214	772691	7175841	50	-60	318.00	323.00	5.00	4.76
THRC217	772730	7175771	49	-59	298.00	301.00	3.00	4.79
THRC220	772296	7176167	35	-65	497.84	505.00	7.16	10.46
					522.63	525.65	3.02	4.57
THDD222	772399	7176112	50	-60	425.65	429.00	3.35	3.13
					437.18	441.00	3.82	5.18
THDD223	772436	7176053	53	-60	465.00	467.70	2.70	4.65

Below is the current Long Section and Drill Hole plan for Thaduna showing the updated Resource outline, and drilled and planned holes.

DIRECTORS' REPORT



Thaduna Longsection showing the modeled Resource outline



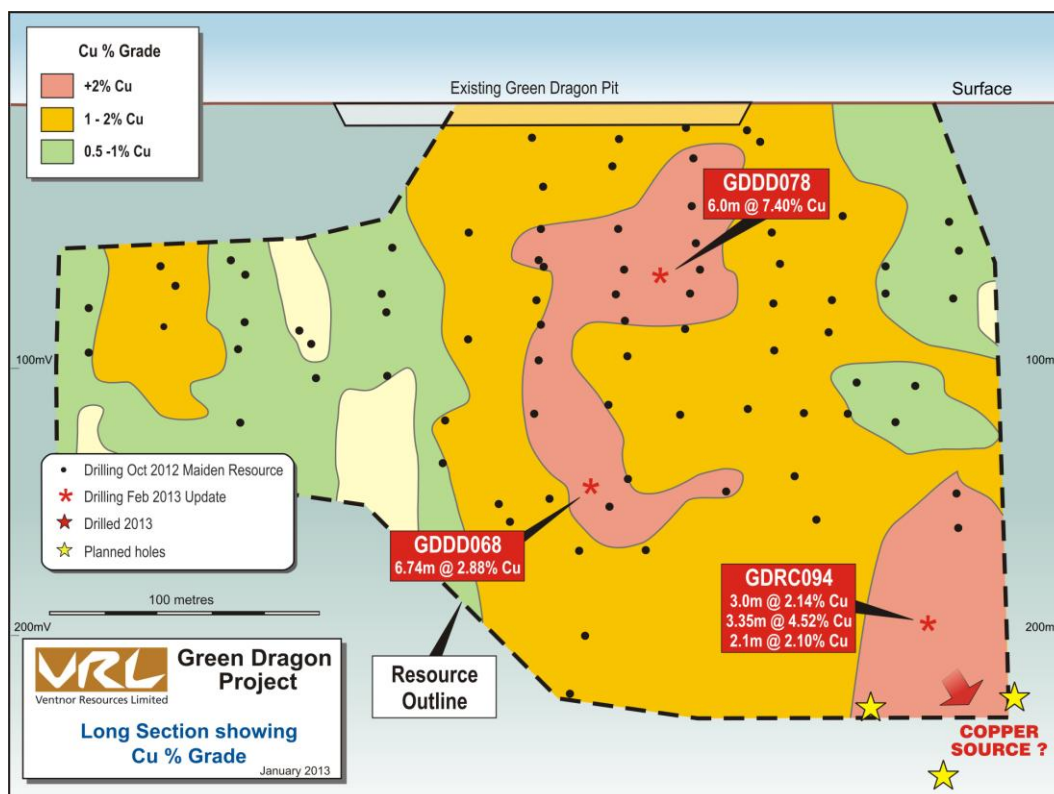
Thaduna Drill Plan showing the drilled and planned holes

Green Dragon Resource Update

An additional three Diamond holes have been used in the February 2013 Resource estimation update for the Green Dragon deposit. Eight wireframe domains were created to constrain the mineralisation which has a total drilled strike of 500 metres to a maximum vertical depth of 220 metres.

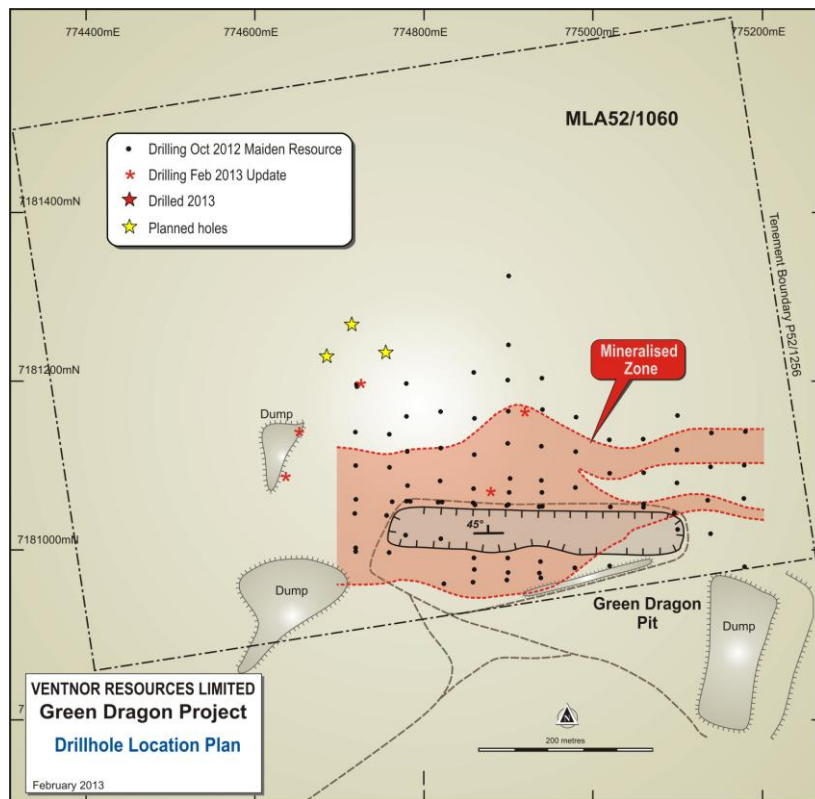
At Green Dragon the total estimated Resource is 1.89Mt @ 1.4% Cu and 2.0g/t Ag for 26,824t Cu and 124Koz Ag. This equates to a marginal increase in tonnage, 6% increase in copper grade for a 6% increase in contained copper tonnes. The estimation at Green Dragon was marginally impacted by a change in the density from 2.7t/m³ to 2.55 t/m³, which was balanced out by the material added from the additional three holes. The Sulphide Inferred category increased largely due to high grades encountered in GDRC094.

Below is the current Long Section and Drill Hole plan for Green Dragon showing the updated Resource outline, drilled and planned holes.



Green Dragon Cu % Grade Longsection showing the Resource modeled outline

DIRECTORS' REPORT



Green Dragon Drill Plan drilled and planned holes

DIRECTORS' REPORT

CORPORATE

During the half-year the Company completed the following securities issues:

- (i) the allotment and issue of 7,300,000 ordinary fully paid shares at an issue price of 55 cents to raise gross proceeds of \$4,015,000;
- (ii) the issue of 290,747 ordinary fully paid shares on the exercise of unlisted options exercised at a price of 25 cents each, raising \$72,687; and
- (iii) the issue of 1,257,559 ordinary fully paid shares in payment of exploration services rendered.

CHANGES IN STATE OF AFFAIRS

During the half-year ended 31 December 2012 there was no significant change in the entity's state of affairs other than that referred to in the half-year financial statements or notes thereto.

EVENTS SUBSEQUENT TO THE PERIOD

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

AUDITOR'S DECLARATION OF INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 in relation to the review for the half-year ended 31 December 2012 is included within this financial report.

Signed in accordance with a resolution of the directors.



Paul Boyatzis
Chairman

Perth, 26 February 2013

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr David Reid who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Reid is an employee of 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 "2004 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.

STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2012

	Consolidated	
	31 December 2012	31 December 2011
	\$	\$
Continuing operations		
Revenue	89,298	125,094
Exploration and evaluation expenditure	(421,580)	(353,532)
Depreciation	(25,012)	(11,113)
Directors fees and benefits expense	(282,250)	(225,000)
Share based payments	-	(204,375)
Corporate and administration expenses	(358,756)	(326,394)
Loss before income tax expense	(998,300)	(995,320)
Income tax expense	-	-
Net loss for period	(998,300)	(995,320)
Other comprehensive income	-	-
Other comprehensive income for the period, net of tax	-	-
Total comprehensive loss attributable to members of Ventnor Resources Limited	(998,300)	(995,320)
Basic and diluted loss per share (cents per share)	(1.47)	(1.89)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

		Consolidated	
		31 December	30 June
		2012	2012
		\$	\$
	Note		
ASSETS			
Current Assets			
Cash and cash equivalents		2,068,542	2,922,120
Trade and other receivables		241,363	409,315
Total Current Assets		2,309,905	3,331,435
Non-Current Assets			
Trade and other receivables		43,100	43,100
Plant and equipment		153,809	178,821
Deferred exploration expenditure	2	13,193,755	8,836,924
Total Non-Current Assets		13,390,664	9,058,845
Total Assets		15,700,569	12,390,280
LIABILITIES			
Current Liabilities			
Trade and other payables		1,141,149	1,325,572
Provisions		66,901	51,890
Total Current Liabilities		1,208,050	1,377,462
Total Liabilities		1,208,050	1,377,462
Net Assets		14,492,519	11,012,818
EQUITY			
Issued capital	3	16,884,406	12,406,405
Reserves		1,430,506	1,430,506
Accumulated losses		(3,822,393)	(2,824,093)
Total Equity		14,492,519	11,012,818

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2012

Consolidated	Issued Capital \$	Accumulated Losses \$	Other Reserves \$	Total Equity \$
<i>Balance at 1 July 2011</i>	7,132,357	(866,413)	945,101	7,211,045
Loss for period	-	(995,320)	-	(995,320)
Total comprehensive loss for period	-	(995,320)	-	(995,320)
Securities issued during the period	2,047,209	-	-	2,047,209
Capital raising costs	(99,630)	-	-	(99,630)
Cost of share based payments	-	-	204,375	204,375
<i>Balance at 31 December 2011</i>	9,079,936	(1,861,733)	1,149,476	8,367,679
<i>Balance at 1 July 2012</i>	12,406,405	(2,824,093)	1,430,506	11,012,818
Loss for period	-	(998,300)	-	(998,300)
Total comprehensive loss for period	-	(998,300)	-	(998,300)
Securities issued during the period	4,683,770	-	-	4,683,770
Capital raising costs	(205,769)	-	-	(205,769)
<i>Balance at 31 December 2012</i>	16,884,406	(3,822,393)	1,430,506	14,492,519

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2012

	Note	Consolidated 31 December 2012 \$	31 December 2011 \$
Cash flows from operating activities			
Payments to suppliers and employees		(556,814)	(694,633)
Interest received		109,022	58,910
Net cash (used in) operating activities		(447,792)	(635,723)
Cash flows from investing activities			
Payment for plant and equipment		-	(136,787)
Expenditure on mining interests		(4,287,704)	(2,808,837)
Payment of performance bond		-	(20,000)
Net cash (used in) investing activities		(4,287,704)	(2,965,624)
Cash flows from financing activities			
Proceeds from issue of shares		4,087,687	2,047,209
Payment of capital raising costs		(205,769)	(99,630)
Net cash from financing activities		3,881,918	1,947,579
Net (decrease) in cash held		(853,578)	(1,653,768)
Cash at beginning of the half-year		2,922,120	4,682,837
Cash at end of the half-year		2,068,542	3,029,069

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2012 has been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2012 and any public announcements made by Ventnor Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

New and Revised Accounting Standards

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

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

2. DEFERRED EXPLORATION EXPENDITURE

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

	31 December 2012 \$	30 June 2012 \$
Exploration and evaluation phase – at cost	13,193,755	8,836,924
Movement		
Balance at beginning of half-year	8,836,924	
Expenditure incurred	4,778,411	
Expenditure written off	(421,580)	
Total deferred exploration expenditure	13,193,755	

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

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2012

3. ISSUED CAPITAL

	31 December 2012 \$	30 June 2012 \$
Issued Capital		
Ordinary shares – fully paid	16,884,406	12,406,405
Movement in ordinary shares on issue	Number	\$
(i) Ordinary shares – fully paid		
Balance at beginning of half-year	62,053,724	12,406,405
Issue pursuant to placement	7,300,000	4,015,000
Issue on exercise of options	290,747	72,687
Issue in lieu of fees payable	1,257,559	596,083
Share issue expenses	-	(205,769)
Balance at end of half-year	70,902,030	16,884,406

4. SEGMENT INFORMATION

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

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

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

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

During the half-year ended 31 December 2012, 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 (2011 - Nil) are derived from a single external customer.

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2012

5. DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period. (2011:Nil)

6. CONTINGENT LIABILITIES

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

7. EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods, other than the company issued 100,000 ordinary fully paid shares at an issue price of \$0.25 each on the conversion of unlisted options, raising \$25,000.

DIRECTORS' DECLARATION

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

1. The financial statements and notes thereto of the consolidated entity, as set out within this financial report, are in accordance with the *Corporations Act 2001* including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year then ended.
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Paul Boyatzis
Chairman

Perth, 26 February 2013

RSM Bird Cameron Partners
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www.rsmi.com.au

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

We have reviewed the accompanying half-year financial report of Ventnor Resources Limited which comprises the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Ventnor Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

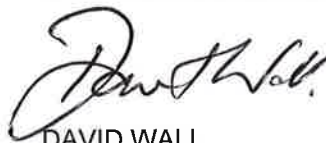
Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

RSM Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS



DAVID WALL
Partner

Perth, WA
Dated: 26 February 2013



RSM Bird Cameron Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Ventnor Resources Limited for the half-year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM Bird Cameron Partners.

RSM BIRD CAMERON PARTNERS

DAVID WALL
Partner

Perth, WA
Dated: 26 February 2013