VENTNOR RESOURCES LIMITED

ABN 59 142 014 873

INTERIM FINANCIAL REPORT

FOR HALF-YEAR ENDED

31 DECEMBER 2013

CORPORATE DIRECTORY

DIRECTORS

Paul Boyatzis (Non-Executive 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

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 Georges Terrace
Perth WA 6000

AUSTRALIAN SECURITIES EXCHANGE

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

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2013. 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) – resigned 4 March 2014

REVIEW OF OPERATIONS

The net loss for the half-year attributable to members of Ventnor Resources Limited was $1,621,302 (2012: loss of $998,300).

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

In the first few months of the period under review Ventnor focused the Company's exploration activities on the Thaduna/Green Dragon Copper Project as well as committing resources to its Kumarina exploration project.

Also in the early months of the half year Ventnor continued to receive assay results from drilling at Thaduna/Green Dragon which was completed in the previous period. Work continued on evaluating results as the Directors explored a number of alternative strategies to progress the Company's stated aim of commencing copper production at its flagship Thaduna/Green Dragon Copper Project.
The Thaduna/Green Dragon Copper Project is located in the Doolgunna district of Western Australia, 40km east of Sandfire Resources' DeGrussa Copper Project.

Since April 2011, Ventnor has drilled more than 65,000 metres at the project in an aggressive exploration program aimed at producing its initial copper concentrate from Thaduna/Green Dragon within the December 2014 quarter.

A Scoping Study which was completed in February 2013 confirmed the economic and technical viability of the project, to produce an average 15,000 tonnes per annum of copper over an anticipated mine life of 10 years (*see ASX announcement 28 February 2013*).

Ventnor had previously announced visual intersections from the deep drilling campaign undertaken during the June 2013 quarter at Thaduna/Green Dragon. On 2 July 2013, Ventnor announced further high grade sulphide assays confirming the intersections with the following heading and highlights;

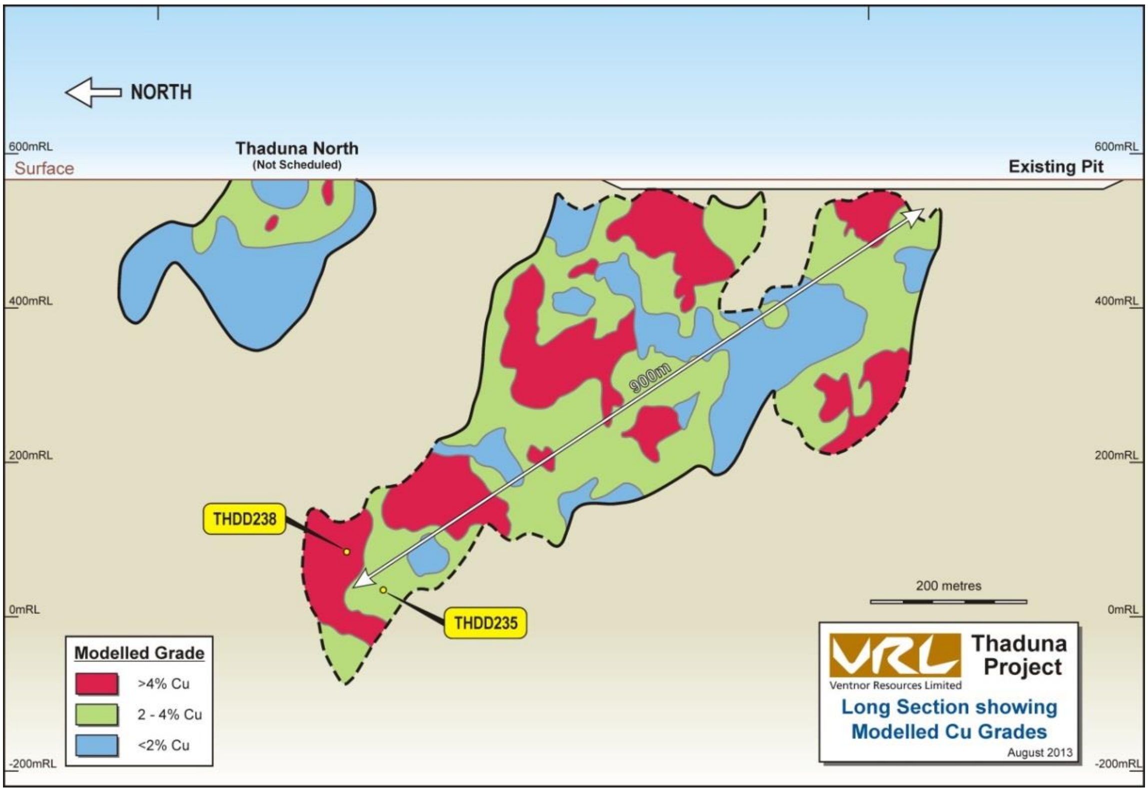
High Grade Assays For Deep Sulphide Intersections At Thaduna/Green Dragon Copper Project

- **High-grade assays returned from previously announced visual intersections**
- **Assays including:**
  - **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)**
- **Assay results to be included in new Resource estimate.**

These assay results for the previous visually reported holes THDD235 and THDD238 confirmed that the Company has extended the high-grade underground mineralisation while hole THDD236 was infilling the existing 142,200 tonne copper resource.

All of the visually identified intersections have been confirmed with high-grade assays, confirming that higher grades are coincident with bornite as the dominant sulphide mineralisation.

Holes THDD235 and THDD238, (see long section), were drilled to extend the known mineralisation identified in previous drilling down dip and down plunge. They have 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.



Longsection showing position of THDD235 and THDD238

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 at 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 at 9.94% Cu.

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

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. It is expected that there will be a localized increase in the resource proximal to this hole.

THDD236 – disseminated chalcopyrite in a graphitic shale, 405m down hole, interval assayed 6.22% Cu over 1m.

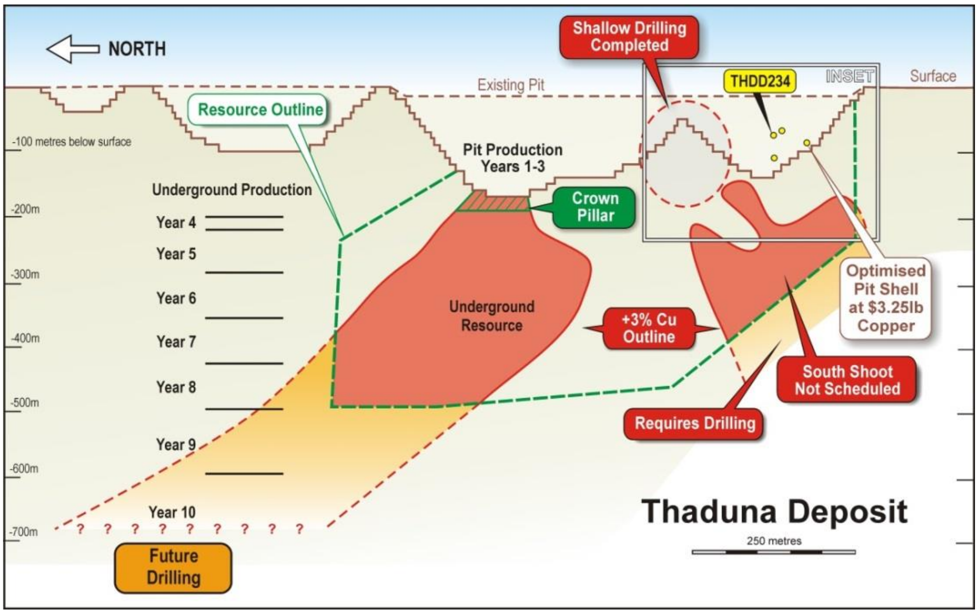
Ventnor made a second announcement on 11 July 2013 to advise the market of high-grade assays received from shallow drilling at Thaduna/Green Dragon undertaken during the June Quarter 2013. The significant shallow intersection was achieved in a recently completed drilling campaign for metallurgical samples. The announcement and highlights were as follows:

Shallow High Grade Intersections At Thaduna/Green Dragon Copper Project.

- **High-grade assays returned from shallow hole within optimised pit area at southern end of Thaduna deposit**
- **Assay from THDD234 was 19.0 metres at 4.12% Cu and 19.4 g/t Ag from 98 metres down hole**
    - **Including 8.0 metres at 8.62% Cu and 42.2 g/t Ag from 108 metres down hole**
- **Results to be included in JORC Resource upgrade later this year.**

The hole was targeted as an infill diamond drill hole in the southern end of the Thaduna deposit. The recovered core will be used for metallurgical testwork and geotechnical survey. Metallurgical testwork on the core will include waste rock characteristics, metallurgical recoveries of copper and silver and comminution testwork on the ore intersection.

A further three diamond drill holes in this area have been completed and results are pending. An extra 10 shallow dipping (-35 degree) diamond drill holes are planned within the BFS program to test similar depths just below the existing historic pit to supply core for additional testwork.



Longsection showing position of THDD234

High Grade Intersections

In the updated 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 at Thaduna 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

Annexure A is a table of the 0.2% Cu and 1% Cu cutoff intersections included in this announcement.

Thaduna

Hole Id	Easting	Northing	Az	Dip	From	To	DH m	Cu%	Ag ppm	Type
THRC006	772845.6	7175847	92	-60	103	115	12.0	1.33	0.2	RC
				Incl.	**104**	**106**	**2.0**	**2.53**	**0.5**	
				Incl.	**108**	**111**	**3.0**	**2.65**	**0.4**	
THRC017	772848.5	7175856	58	-55	75	93	18.0	1.37	8.8	RC
				Incl.	**87**	**91**	**4.0**	**4.37**	**21.6**	
THRC063	772526	7176526	60	-60	4	11	7.0	3.48	2.6	RC
				Incl.	**5**	**9**	**4.0**	**5.65**	**4.3**	
THRC108	772817.2	7175859	61	-60	130	143	13.0	2.87	9.7	RC
				Incl.	**131**	**139**	**8.0**	**4.48**	**15.6**	
THRC112	772674	7176105	60	-60	94	101	7.0	4.22	11.3	RC
				Incl.	**94**	**100**	**6.0**	**4.78**	**12.7**	
THRC115	772595	7176291	60	-60	24	26	2.0	2.06	NSR	RC
					111	116	5.0	0.95	NSR	
THRC127	772664.4	7175961	061	-59	279.0	288.0	9.0	2.48	9.1	NQ2
				Incl.	**279.5**	**282.1**	**2.6**	**2.21**	**9.6**	
				Incl.	**285.0**	**288.0**	**3.0**	**4.74**	**17.0**	
					291.0	300.0	9.0	0.87	1.3	
				Incl.	**292.0**	**294.0**	**2.0**	**2.45**	**4.5**	
THRC149	7175810	772618	35	-60	362.6	366.1	3.5	3.87	12.4	NQ2
				Incl.	**362.6**	**365.7**	**3.0**	**4.39**	**14.3**	
THRC158	7176038	772618	35	-60	269.0	272.0	3.0	2.87	NSR	NQ2
					277.0	286.0	9.0	0.74	NSR	
				Incl.	**281.3**	**286.0**	**4.7**	**1.11**	**NSR**	
					291.5	298.0	6.5	0.82	NSR	
				Incl.	**293.0**	**295.0**	**2.0**	**1.50**	**NSR**	
					304.0	307.0	3.0	1.15	NSR	
					304.7	307.0	2.3	1.42	NSR	
					312.0	**317.0**	**5.0**	**4.94**	**13.3**	
					330.8	335.0	4.2	0.70	1.3	
THRC159	7176066	772604	35	-60	246.0	256.0	10.0	1.16	1.3	NQ2
				Incl.	**246.9**	**251.9**	**4.9**	**2.00**	**2.4**	
					262.0	280.0	18.0	2.35	4.7	
				Incl.	**263.0**	**278.0**	**15.0**	**2.74**	**5.6**	
					295.4	297.0	1.6	0.37	NSR	
					313.0	327.4	14.4	4.22	13.5	
				Incl.	**313.0**	**322.5**	**9.5**	**4.40**	**15.4**	
				Incl.	**325.0**	**327.4**	**2.5**	**7.36**	**19.9**	
					334.3	347.3	13.0	3.57	6.6	
				Incl.	**334.3**	**346.0**	**11.8**	**3.93**	**7.3**	
THRC177	7176146	772420	35	-60	328.0	336.0	8.0	4.12	11.2	NQ2
				Incl.	**331.0**	**336.0**	**5.0**	**6.28**	**17.8**	
THRC194	772484	7176156	35	-60	299.0	304.0	5.0	3.76	6.6	NQ2
					308.0	310.0	2.0	0.35	NSR	
THRC195	772555	7176070	39	-61	254.0	255.5	1.5	0.50	NSR	NQ2
					282.0	287.0	5.0	1.50	3.2	
				Incl.	**283.0**	**286.0**	**3.0**	**2.13**	**5.0**	
					314.0	319.0	5.0	0.37	NSR	
					322.0	325.0	3.0	4.97	NSR	
				Incl.	**323.0**	**325.0**	**2.0**	**7.24**	**NSR**	

Annexure A (cont'd)

Thaduna

Hole Id	Easting	Northing	Az	Dip	From	To	DH m	Cu%	Ag ppm	Type
THRC203	772500	7176007	37	-59	315.0	319.0	4.0	0.65	NSR	NQ2
					390.2	392.0	1.8	0.92	2.2	
					394.0	398.0	4.0	0.53	1.3	
					410.0	422.0	12.0	2.40	3.8	
				Incl.	**410.0**	**417.0**	**7.0**	**3.80**	**6.1**	
THRC204	772461	7176081	35	-59	322.0	329.0	7.0	4.07	11.2	NQ2
				Incl.	**322.8**	**325.4**	**2.6**	**9.67**	**27.7**	
				Incl.	**327.7**	**329.0**	**1.3**	**1.98**	**2.3**	
THRC207	772655	7175963	37	-60	226.0	232.0	6.0	1.16	0.7	NQ2
				Incl.	**227.0**	**229.0**	**2.0**	**3.00**	**2.0**	
					284.0	294.0	10.0	6.65	35.4	
				Incl.	**284.0**	**293.4**	**9.4**	**7.07**	**37.7**	
THRC210	772513	7176104	47	-61	263.0	271.5	8.5	0.74	1.0	NQ2
				Incl.	**267.0**	**269.0**	**2.0**	**1.97**	**3.0**	
THRC211	772582	7176016	43	-60	294.0	305.0	11.0	1.61	0.3	NQ2
				Incl.	**295.0**	**304.0**	**9.0**	**1.90**	**0.4**	
					319.0	340.0	21.0	2.20	2.9	
				Incl.	**320.0**	**323.0**	**3.0**	**3.46**	**8.6**	
				Incl.	**325.0**	**338.0**	**13.0**	**2.53**	**2.7**	
					344.0	350.0	6.0	1.77	0.6	
				Incl.	**345.3**	**347.0**	**1.7**	**5.71**	**0.4**	
THRC214	772691.2	7175841	50	-60	314.0	327.0	13.0	2.07	0.3	NQ2
				Incl.	**318.0**	**323.0**	**5.0**	**4.76**	**0.8**	
THRC217	772730	7175771	49	-59	298.0	302.0	4.0	3.66	1.4	NQ2
				Incl.	**298.0**	**301.0**	**3.0**	**4.79**	**1.9**	
THRC220	772296	7176167	035	-65	497.0	512.0	15.0	5.49	17.4	NQ2
				Incl	**497.8**	**507.0**	**9.2**	**8.57**	**27.2**	
				Incl. +5%	**497.8**	**504.7**	**6.8**	**10.78**	**34.2**	
					514.0	518.0	4.0	0.26	12.0	
					522.0	527.0	5.0	3.08	15.1	
				Incl	**522.0**	**526.0**	**4.0**	**3.80**	**11.5**	
THRC222	772399	7176112	50	-60	420.3	424.0	3.7	4.16	12.1	NQ2
				Incl.	**420.3**	**422.0**	**1.7**	**8.71**	**26.0**	
					425.7	429.0	3.4	3.13	8.3	
					436.8	442.0	5.2	4.02	11.4	
				Incl.	**437.2**	**441.6**	**4.4**	**4.62**	**13.3**	
THDD223	772436	7176053	53	-60	364.0	366.0	2.0	0.57	NSR	NQ2
					375.0	377.0	2.0	0.55	NSR	
					403.0	405.0	2.0	0.69	NSR	
					463.0	469.0	6.0	2.58	3.3	
				Incl.	**465.0**	**468.0**	**3.0**	**4.35**	**5.3**	
					486.0	488.0	2.0	0.27	NSR	
THDD226	772249	7176254	51	-60	**520.0**	**533.5**	**13.5**	**3.25**	**9.9**	NQ2
				Incl. +3%	**520.0**	**523.0**	**3.0**	**4.24**	**13.0**	
				Incl. +3%	**529.0**	**533.3**	**4.3**	**4.07**	**12.6**	

Annexure A (cont'd)

Thaduna

Hole Id	Easting	Northing	Az	Dip	From	To	DH m	Cu%	Ag ppm	Type
THDD229	772121	7176209	45	-60	721.0	725.0	4.0	1.57	3.6	NQ2
				Incl	**721.5**	**722.3**	**0.8**	**4.93**	**13.9**	
THDD234	772835	7175835	39	-45	98	117	19.0	4.12	19.4	HQ
				Incl.	**108**	**116**	**8.0**	**8.62**	**42.2**	
THDD235	772176	7176258	48	-62	612.0	622.3	10.3	4.73	15.5	HQ
				Incl	**612.7**	**622.3**	**9.6**	**5.00**	**16.4**	
THDD236	772434	7176105	53	-62	365.0	365.9	0.9	1.71	NSR	HQ
					376.5	377.5	1.0	0.44	NSR	
					388.0	413.0	25.0	3.39	2.6	
				Incl	**388.0**	**411.0**	**23.0**	**3.66**	**2.9**	
THDD238	772136	7176328	48	-60	572.0	579.5	7.5	8.25	26.7	HQ
				Incl	**572.5**	**578.7**	**6.1**	**9.94**	**32.4**	
					605.3	606.1	0.8	2.07	NSR	

NSR – No Significant Result

Green Dragon

Hole Id	Easting	Northing	Az	Dip	From	To	DH m	Cu%	Ag ppm	Type
GDRC011	774780	7181057	180	-50	57	60	3.0	1.11	2.3	RC
GDRC019	774902	7181067	180	-60	12	17	5.0	0.37	NSR	RC
					57	61	4.0	1.51	2.3	
				Incl.	**58**	**60**	**2.0**	**2.52**	**3.5**	
GDRC039	774900	7180990	180	-55	34	44	10.0	6.82	14.3	RC
				Incl.	**37**	**43**	**6.0**	**10.96**	**23.3**	
GDDD078	774878	7181069	180	-50	53.5	63.0	9.5	4.85	10.2	HQ3
				Incl.	**55.0**	**61.0**	**6.0**	**7.40**	**15.8**	
					93.0	96.2	3.2	4.03	1.6	
				Incl.	**93.3**	**96.2**	**2.8**	**4.46**	**1.8**	

*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.*

Competent Person Statement

JORC 2012: The Company confirms that it is not aware of any new information or data that materially affects the information included in any original market announcements issued by the Company in regard to its exploration projects, and that all material assumptions and technical parameters underpinning the announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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 was 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 "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.

Thaduna – Green Dragon Joint Venture

On 25 October 2013 after a long period of negotiation with Sandfire Resources NL ("Sandfire") both Sandfire and Ventnor reached agreement to enter a Joint Venture on the Thaduna/Green Dragon Copper Project with the objective of completing a feasibility study to treat the TGD ore through Sandfire's existing DeGrussa plant, 40km from the resource.

The completion of this agreement removes any requirement by Ventnor to source the $70 million that construction of a stand-alone plant would have cost and the subsequent shareholder dilution.

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.

Sandfire has acquired a 35% First Interest in the Project by paying $3 million directly to Ventnor. Sandfire can acquire an additional 16% (total 51%) for the Second Interest $3 million tranche, and 29% (total 80%) for the Third Interest $3 million. 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 $70 million 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 which was completed at the Ventnor AGM on 28 November 2013, and settled on 4 December 2013 with the first payment of $3 million.

CORPORATE

During the half-year the Company issued 500,000 unlisted options exerciseable at 15.48 cents each on or before 6 December 2016, as consideration for corporate advisory services relating to the Thaduna – Green Dragon Joint Venture agreement.

CHANGES IN STATE OF AFFAIRS

During the half-year ended 31 December 2013 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 2013 is included within this financial report.

Signed in accordance with a resolution of the directors.

Paul Boyatzis
Chairman

Perth, 13 March 2014

STATEMENT OF COMPREHENSIVE INCOME
For the half-year ended 31 December 2013

	Consolidated	
	31 December 2013 $	**31 December 2012 $**
Continuing operations		
Revenue	**45,279**	**89,298**
Exploration and evaluation expenditure	**(905,527)**	**(421,580)**
Depreciation	**(25,494)**	**(25,012)**
Directors fees and benefits expense	**(139,792)**	**(282,250)**
Finance costs	**(213,320)**	**-**
Corporate and administration expenses	**(382,448)**	**(358,756)**
Loss before income tax expense	**(1,621,302)**	**(998,300)**
Income tax expense	**-**	**-**
Net loss for the period	**(1,621,302)**	**(998,300)**
Other comprehensive income	**-**	**-**
Other comprehensive income for the period, net of tax	-	-
Total comprehensive loss attributable to members of Ventnor Resources Limited	**(1,621,302)**	**(998,300)**
Basic and diluted loss per share (cents per share)	**(2.28)**	**(1.47)**

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
As at 31 December 2013

	Note	Consolidated 31 December 2013 $	 30 June 2013 $
ASSETS			
Current Assets			
Cash and cash equivalents		**851,016**	241,499
Trade and other receivables		**47,600**	86,904
Total Current Assets		**898,616**	328,403
Non-Current Assets			
Trade and other receivables		**42,000**	43,100
Plant and equipment		**108,116**	133,610
Deferred exploration expenditure	2	**12,178,577**	15,614,189
Total Non-Current Assets		**12,328,693**	15,790,899
Total Assets		**13,227,309**	16,119,302
LIABILITIES			
Current Liabilities			
Trade and other payables		**100,536**	423,689
Provisions		**39,759**	45,412
Loans and borrowings		**1,012,877**	1,991,622
Total Current Liabilities		**1,153,172**	2,460,723
Total Liabilities		**1,153,172**	2,460,723
Net Assets		**12,074,137**	13,658,579
EQUITY			
Issued capital	3	**16,879,224**	16,879,224
Reserves		**1,467,366**	1,430,506
Accumulated losses		**(6,272,453)**	(4,651,151)
Total Equity		**12,074,137**	13,658,579

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2013

Consolidated	Issued Capital $	Accumulated Losses $	Other Reserves $	Total Equity $
Balance at 1 July 2012	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)
Balance at 31 December 2012	16,884,406	(3,822,393)	1,430,506	14,492,519
Balance at 1 July 2013	**16,879,224**	**(4,651,151)**	**1,430,506**	**13,658,579**
Loss for period	**-**	**(1,621,302)**	**-**	**(1,621,302)**
Total comprehensive loss for period	**-**	**(1,621,302)**	**-**	**(1,621,302)**
Cost of share based payments	**-**	**-**	**36,860**	**36,860**
Balance at 31 December 2013	**16,879,224**	**(6,272,453)**	**1,467,366**	**12,074,137**

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2013

	Consolidated	
	31 December 2012 $	**31 December 2012 $**
Cash flows from operating activities		
Payments to suppliers and employees	**(543,984)**	(556,814)
Interest received	**2,777**	109,022
Finance costs	**(252,066)**	-
Net cash (used in) operating activities	**(793,273)**	(447,792)
Cash flows from investing activities		
Expenditure on mining interests	**(508,310)**	(4,287,704)
Proceeds from sale of share in mining interests	**3,000,000**	-
Payment of Joint Venture transaction costs	**(150,000)**	-
Refund of security deposit	**1,100**	-
Net cash (used in) investing activities	**2,342,790**	(4,287,704)
Cash flows from financing activities		
Proceeds from issue of shares	**-**	4,087,687
Payment of capital raising costs	**-**	(205,769)
Proceeds from borrowings	**1,400,000**	-
Repayment of borrowings	**(2,340,000)**	-
Net cash (used in) / provided by financing activities	**(940,000)**	3,881,918
Net increase / (decrease) in cash held	**609,517**	(853,578)
Cash at beginning of the half-year	**241,499**	2,922,120
Cash at end of the half-year	**851,016**	2,068,542

The accompanying notes form part of these financial statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2013 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 2013 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.

Going Concern Basis

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of $1,621,302 and had cash outflows from operating activities of $793,273 during the half-year ended 31 December 2013. As of that date, the consolidated entity had net current liabilities of $254,556.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- As disclosed in Note 7, the Company announced on 24 February 2014 a renounceable rights issue to raise up to $1,988,056;
- The loans and borrowings of $1,012,877 included in current liabilities as at 31 December 2013 will be offset against the lenders' sub-underwriting obligation to the renounceable rights issue, as disclosed in Note 7; and
- The Company has scaled down its operations in order to curtail expenditure, including all costs relating to the Thaduna/Green Dragon Project being covered by the Joint Venture agreement with Sandfire Resources NL.

2. DEFERRED EXPLORATION EXPENDITURE

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

	31 December 2013 $	30 June 2013 $
Exploration and evaluation phase – at cost	**12,178,577**	15,614,189
Movement		
Balance at beginning of half-year	**15,614,189**	
Expenditure incurred	**283,055**	
Expenditure written off	**(905,527)**	
Sale of share in project to Joint Venture partner	**(3,000,000)**	
Join Venture transaction costs	**186,860**	
Total deferred exploration expenditure	**12,178,577**	

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.

3. ISSUED CAPITAL

	31 December 2013 $	30 June 2013 $
Issued Capital		
Ordinary shares – fully paid	**16,879,224**	16,879,224

Movement in ordinary shares on issue	**Number**	**$**
(i) ***Ordinary shares – fully paid***		
Balance at beginning of half-year	71,002,030	16,879,224
Balance at end of half-year	71,002,030	16,879,224

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 2013, 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 (2012: Nil) are derived from a single external customer.

5. DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period. (2012: Nil)

6. CONTINGENT LIABILITIES

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.

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:

(i) The Company announced on 24 February 2014 a renounceable rights issue on the basis of 2 fully paid ordinary shares ("new shares") for every 3 fully paid ordinary shares held by shareholders of the Company, at an issue price of $0.042 per new share. The maximum number of new shares that may be issued is 47,334,687, to raise up to $1,988,057 (before costs).

The rights issue is conditionally fully underwritten by Patersons Securities Limited. The Company has loans with the principal value of $1,000,000. Under the terms of the loans, the lenders will offset their sub-underwriting obligations to the rights issue against the total amount owing under the loans, including interest and fees.

(ii) Mr John Geary resigned as executive director on 4 March 2014.

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 2013 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, 13 March 2014

RSM Bird Cameron Partners

RSM Bird Cameron Partners
8 St Georges 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 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 2013, 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 2013 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.

RSM Bird Cameron Partners

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 2013 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: 13 March 2014

RSM Bird Cameron Partners

RSM Bird Cameron Partners
8 St Georges 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 review of the financial report of Ventnor Resources Limited for the half-year ended 31 December 2013, 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: 13 March 2014