

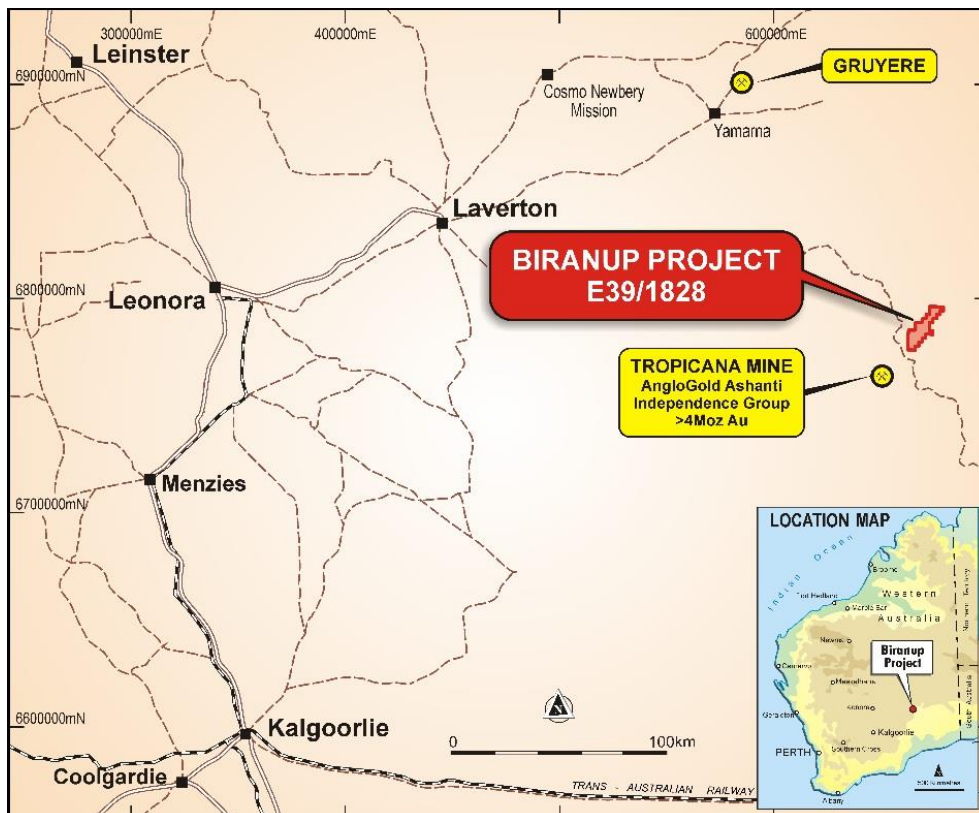
Ventnor Resources Limited (ASX: VRX) (**Ventnor** or the **Company**) provides the following summary of exploration activities conducted during the December 2016 quarter:

Exploration

During the December quarter the Company conducted Moving Loop EM surveys at the Silver Dragon and Fire Dragon prospects at the Biranup Project in Western Australia. Following the survey which identified conductors at Fire Dragon and Silver Dragon, the Company drilled three deep RC holes during the quarter at both Fire Dragon (2 holes) and Silver Dragon (1 hole). Results, scans and interpretation are still pending. The Company continued evaluation of the database collated on the Biranup Project with the aim of identifying further drill targets. Extra ground was applied for in the Biranup project area with a total ground holding now of 370km².

Background to Biranup

Biranup was formerly known as the Black Dragon Gold Project. When granted in March 2015 the 42 graticular block EL39/1828 was referred to as the Black Dragon Gold Project, however subsequent work by Ventnor has identified multiple exploration targets on the 140 sq km area. These exploration targets are prospective for various minerals as well as gold and to avoid confusion and easier identification the tenement was renamed the Biranup Project area with each target area individually named.



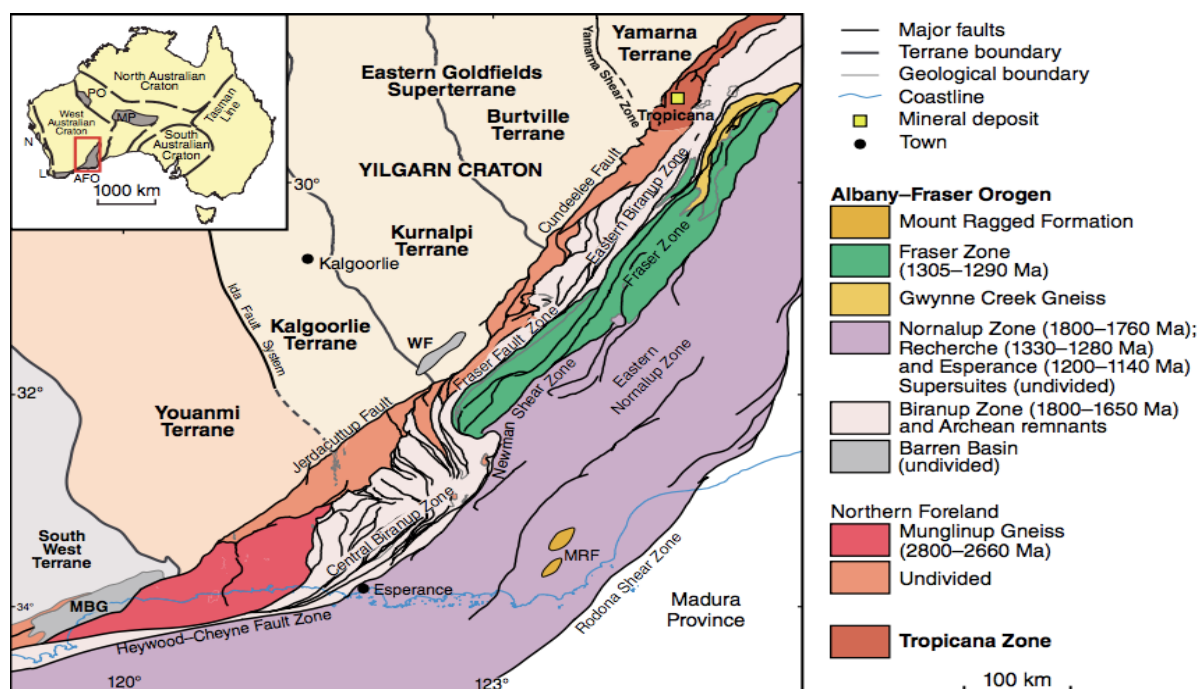
Ventnor's Biranup Project is proximal to the Tropicana gold mine owned by AngloGold Ashanti and the Independence Group. Tropicana commenced production in 2013 and contains a resource in excess of 4Moz situated 22 kilometres to the south-west of EL 39/1828.

EL39/1828 was previously explored in the 1990s by WMC and more recently by the AngloGold Ashanti and Independence Group joint venture, which generated a large dataset of geological information over a 7½ year period.

AngloGold explored the ground for Tropicana-style gold mineralisation, being a 30° south-east dipping, tabular orebody characterised by biotite-sericite-pyrite alteration of the host gneisses. The primary exploration technique used was vertical aircore drilling on a 200m x 200m drill pattern, and sometimes 400m or wider lines, drilled to blade refusal, with routine gold assays down-hole and bottom-of-hole multi-element assays. Limited RC and diamond drilling was conducted in areas of stronger gold anomalism. The result of this exploration effort is that Ventnor has inherited a large database of geochemical multi-element assays and geophysical surveys that are invaluable in targeting not only gold mineralisation, but other precious and base metals.

The database includes assays of soil samples, auger samples, AC, RC, and diamond drilling results, along with a significant geophysical database including gravity/mag and EM surveys. The Company has used specialists to evaluate all of the components of the database and has examined concurrent anomalies.

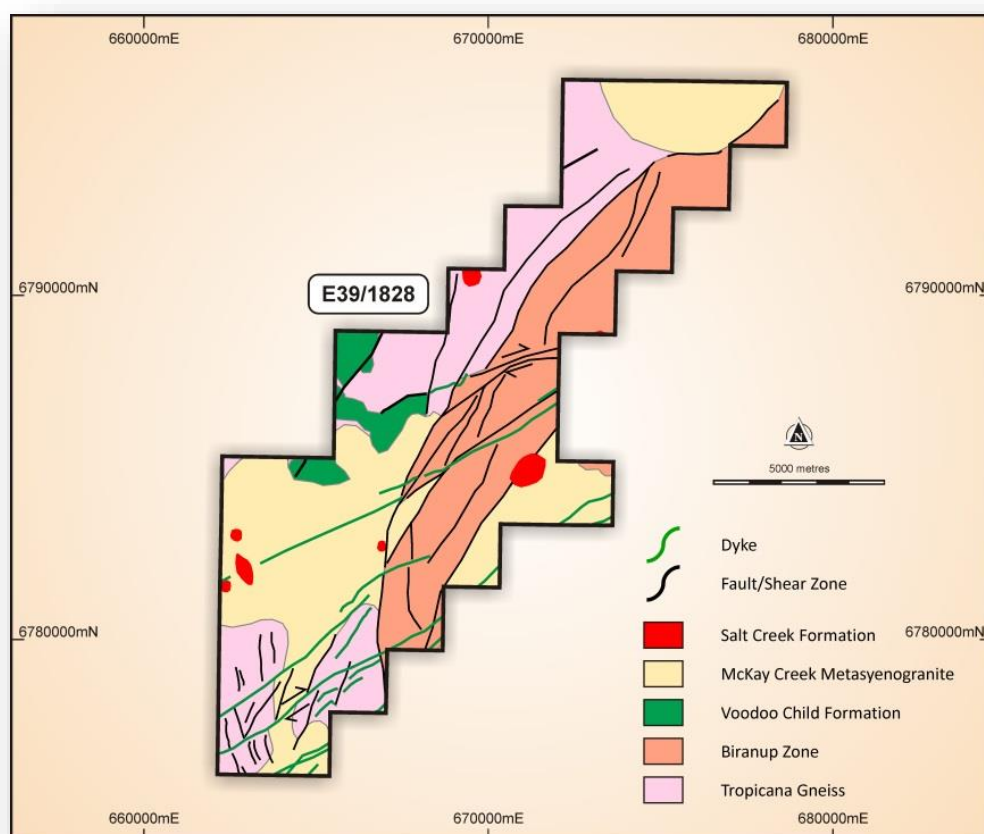
In adding to the geological knowledge of the tenement Ventnor has been able to reinterpret the regional basement geology, isolating a promising gold anomaly, and identifying an anomalous NiCu zone.



The basement geology has been re-evaluated at project scale using available drill data, and a new interpretation has highlighted an area to the west of the tenement with a subdued magnetic response which coincides with a low embayment in the regional gravity data. The potential for a granitoid intrusion is supported by soil and auger assays indicating the area is depleted in Mg but enriched with Pb, Sb, As and W, which provide fertile ground for further exploration.

The new interpretation has identified three mineralisation styles:

- Tropicana Style – Au in K-rich shear zone within high-grade gneisses. Younger than Yilgarn gold and with a limited alteration halo.
- Voodoo Child Style -- associated with 1750Ma intrusions into localised pull-apart basins, diverse rock assemblage, target structural ‘traps’ in Proterozoic and Archaean rocks, identifiable in magnetics. Other intrusion-hosted potential may exist.
- Shear Zone Style – remobilisation of Au, SZ's identified on magnetics commonly show Au anomalism (e.g., Black Dragon), target second order shears and dilatant zones next to major SZs.



New basement geology interpretation

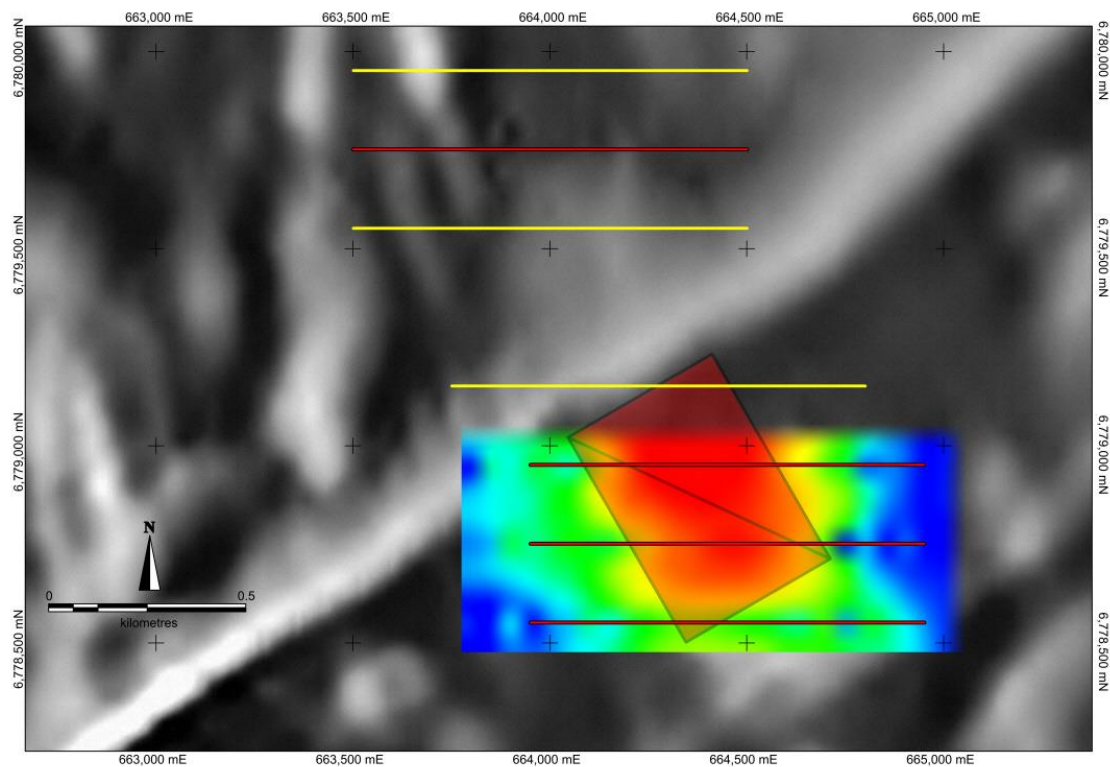
Specific Work Conducted during the Quarter

On 13 October 2016 Ventnor advised the market of the commencement of geophysical surveys at its Silver Dragon and Fire Dragon prospects in the Biranup Project area. The two target surveys that were completed at Biranup utilised Moving Loop Electromagnetic (MLEM) geophysical technology to investigate the prospective areas. Following the identification of a compelling bedrock anomaly the geophysical survey was expanded to include further survey lines to better define a target for future drilling. The market was advised on 1 November 2016 and the program was completed during the quarter.

MLEM survey over SPECTREM electromagnetic anomalies

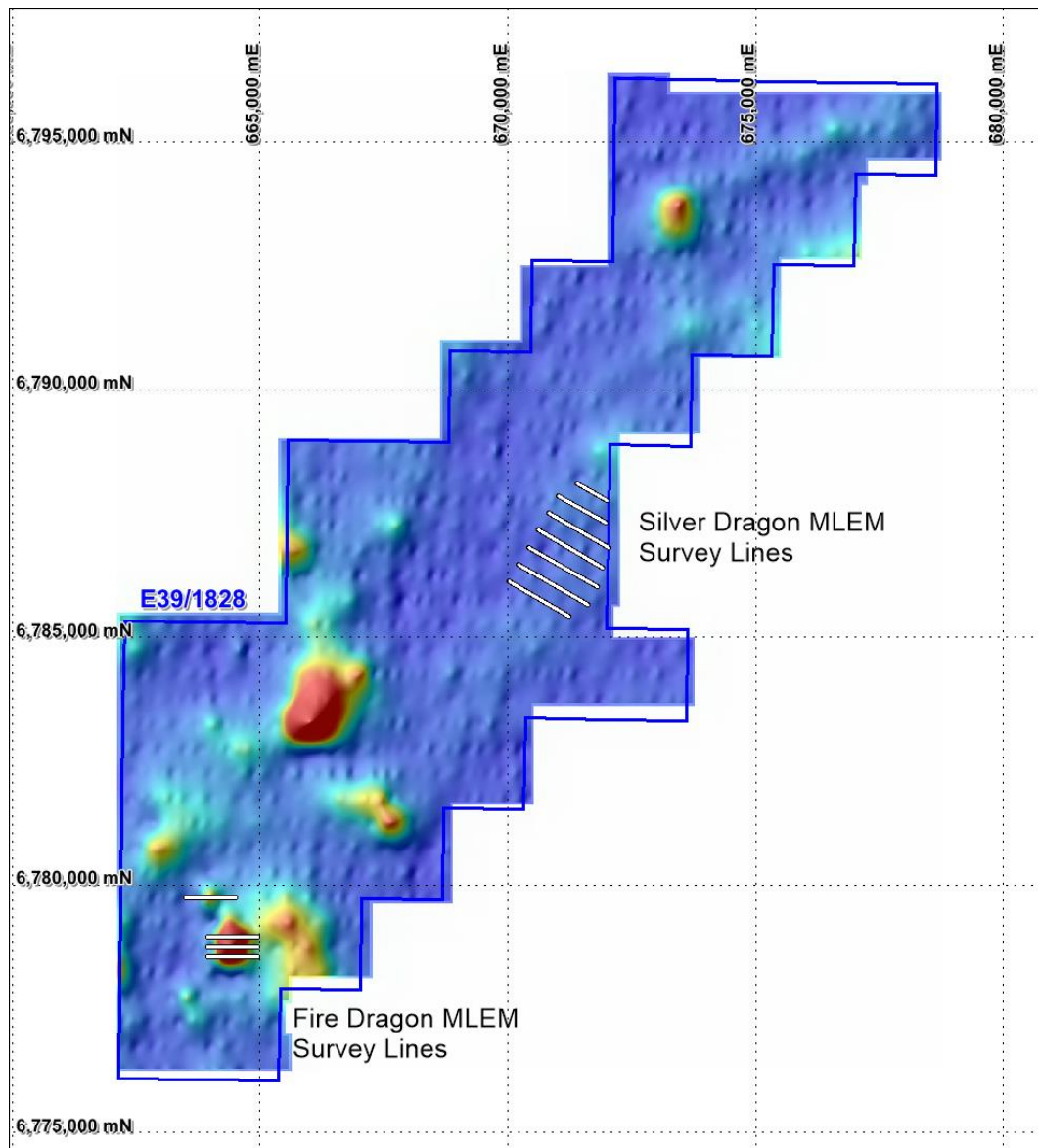
Initial ground electromagnetic surveying has successfully delineated a bedrock conductor anomaly at the Fire Dragon Prospect. The moving loop EM program was designed to follow up two anomalous EM responses identified from a recent review of SPECTREM data acquired by the previous tenement holder. Three MLEM survey lines were carried out to define the strongest SPECTREM anomaly in the south of the prospect area; results received indicate an extension of the conductive response to the north/northwest.

Results from a single MLEM traverse carried out across the weaker SPECTREM anomaly, in the north of the prospect area, indicate a strengthening of the conductive response to the south of the survey line. After the success of the initial MLEM surveying at Fire Dragon, additional MLEM traverses were designed to provide complete coverage and to identify where the anomalous EM response is strongest. With this information, Ventnor generated high priority drill target areas to confirm the source of this conductive response.



Completed MLEM survey lines (Red) and new proposed lines (Yellow) over Aeromag and Spectrem image, with preliminary plate model.

(Image below shows the program.)



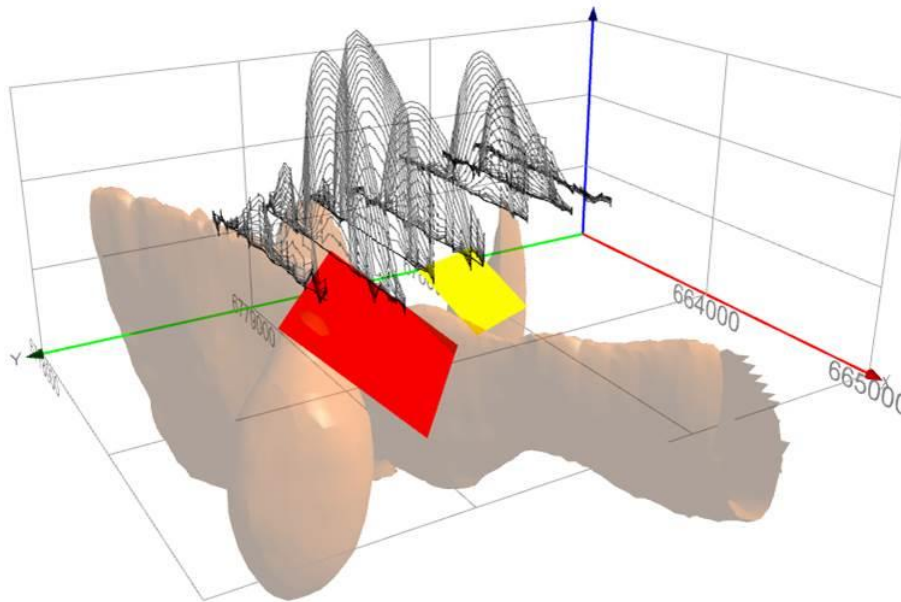
Following the MLEM surveys Ventnor commenced RC drilling in early November at its Silver Dragon and Fire Dragon base metal prospects within the Biranup Project area seeking to define mineralisation at the two targets generated from the MLEM surveys.

The prospectivity of both the Silver Dragon and Fire Dragon prospects is also well supported by coincident geochemical results, which are anomalous in base metals. The drilling at Fire Dragon was to test the mineralisation of the MLEM conductor, while the hole drilled at Silver Dragon was to be set up to enable a down hole EM survey to undertaken.

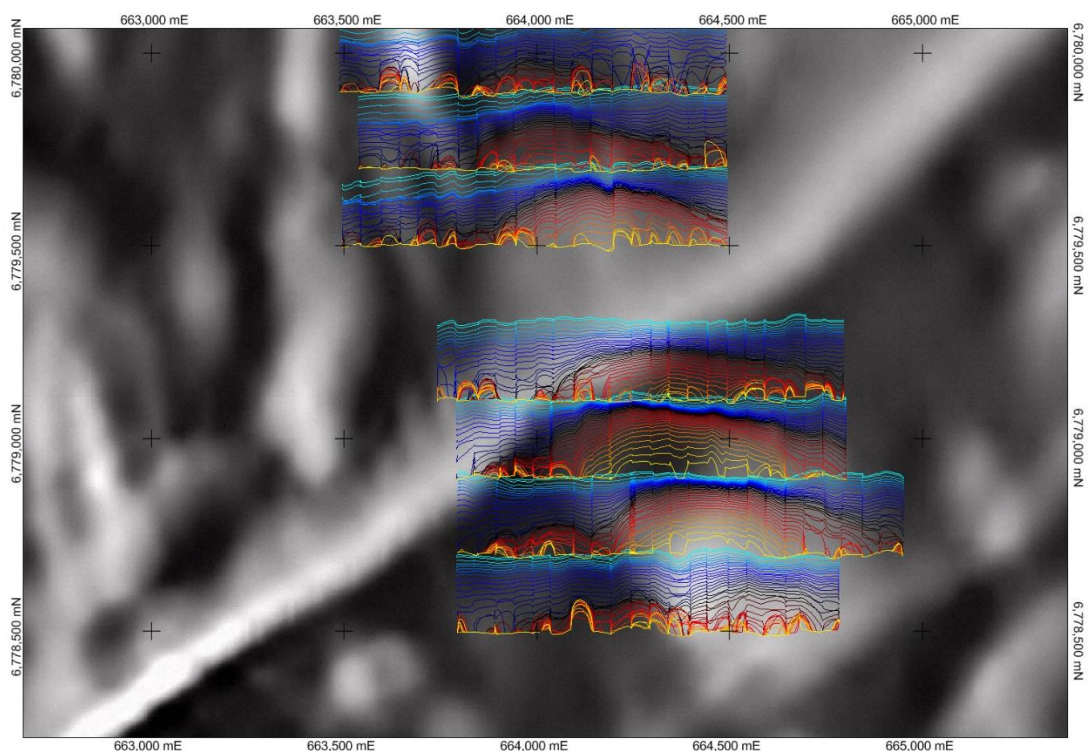
Fire Dragon

Fire Dragon became an area of interest as reported on 15th November 2015, and subsequently Ventnor acquired 50m line spaced aeromagnetic and 500m line spaced airborne EM (SPECTREM) data from the previous tenement holder. The analysis of these data sets motivated the recently completed MLEM survey.

MLEM surveying was carried out along 200m spaced E-W traverses to follow up on a strong anomalous conductor response identified from the SPECTREM survey. The ground EM survey resolved a strong anomalous EM response indicative of a bedrock conductor. The EM anomaly is also associated with a weak magnetic anomaly. The EM and magnetic anomaly responses have been modelled by geophysical consultants and high priority drill target areas were identified.

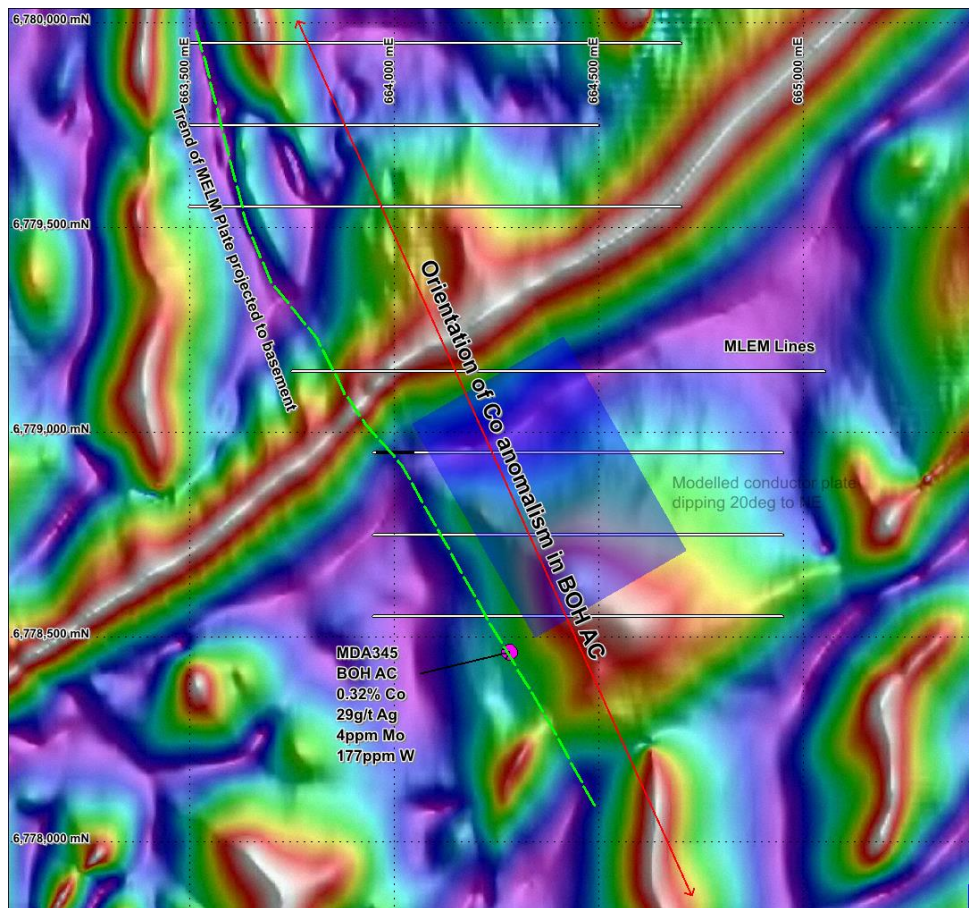


3D view of modelled EM conductor plates with magnetic inversion result as smooth red bodies and MLEM profile responses with modelled source conductors as yellow and red “plates”



MLEM profile responses showing the Fire Dragon MLEM anomaly in hot colours on a magnetic image of the prospect area

Analysis of the existing geological dataset generated from previous drilling supports the geophysical interpretation. Geological logging of the holes suggested that Fire Dragon is largely covered by transported sediments to a depth of 60-80m and geophysical modelling of the anomalous EM response suggested a depth of greater than 100m to the top of the MLEM conductor. This was born out by the RC drilling conducted during November 2016 and completed early December 2016.



Fire Dragon modelled MLEM conductor plate shown as a blue rectangle over 50m tilt derivative magnetic image

The image above shows the modelled MLEM conductor plate over a 50m spaced magnetic image. The trend line in green is where the conductor plate has been projected up to intersect the top of the basement, and then interpreted from the magnetics.

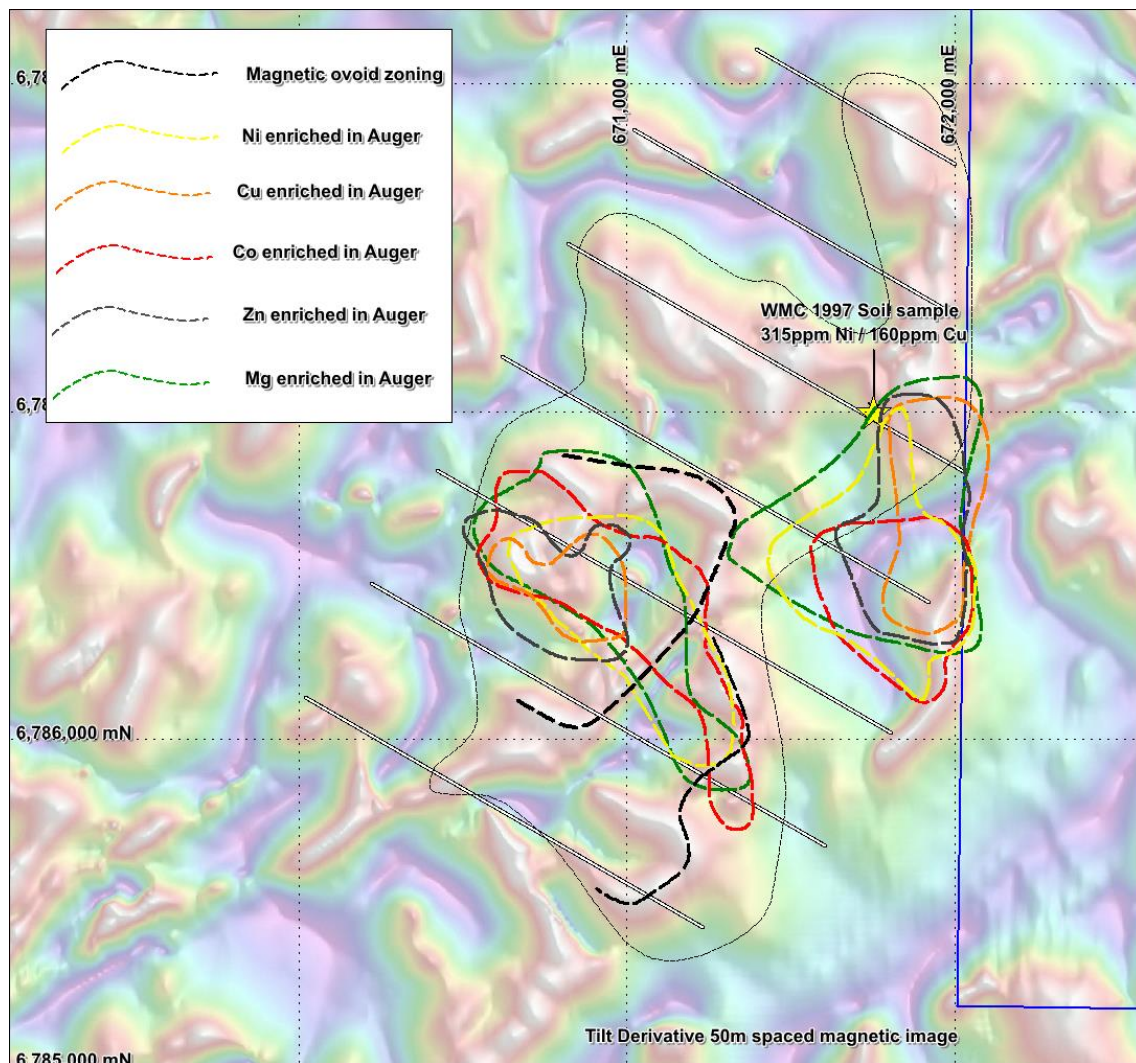
Silver Dragon

MLEM surveying was carried out at the copper-nickel Silver Dragon prospect using regionally spaced traverses (400m) and 100m spaced stations. The MLEM survey was designed to try and identify conductive bedrock EM anomaly responses for further follow up in the prospect area associated with magnetic and geochemical anomalism

The Silver Dragon MLEM survey results have assisted interpreting the geochemical samples, and has identified a very subtle anomalous response to the west of the WMC 1997 soil sample

highlighted in the following figure. The anomaly has been modelled by geophysical consultants to provide a vector for drill targeting. Drilling will be followed up with a downhole EM (DHEM) survey.

The image below shows the auger geochemistry at Silver Dragon overlain on the magnetics with the recently completed MLEM lines.



Silver Dragon magnetic anomaly features with geochemical anomaly outlines

The magnetic body shows ovoid features and is associated with the following anomalism from the multi-element auger geochemical sampling”

- Mg – Enriched
- Fe – Depleted
- Zn – Enriched
- Cu – Enriched
- Co – Enriched
- Ni – Enriched

It should be noted in addition to the image above is that of a LAG soil sample taken by Western Mining Corporation (WMC) in 1997, which returned a value of 315ppm Ni and 160ppm Cu

above very low background. WMC commenced exploration in the area with a large tenement holding as their Pleiades Lakes Project, with the stated aim to target the area for Voiseys Bay style mafic hosted nickel sulphide deposits. The project focused on 14 magnetic anomalies generated from a large aeromag survey over a 3 year period.

Of the 14 magnetic targets, one target (PL6) stood out as having the most significant nickel and copper anomalism. The soil sample shown on the image above followed an anomalous rock chip taken from the outcrop at Silver Dragon. This position is proximal to the identified contactor and makes for a compelling target to be investigated as proposed.

Co-Funded Drilling Grant

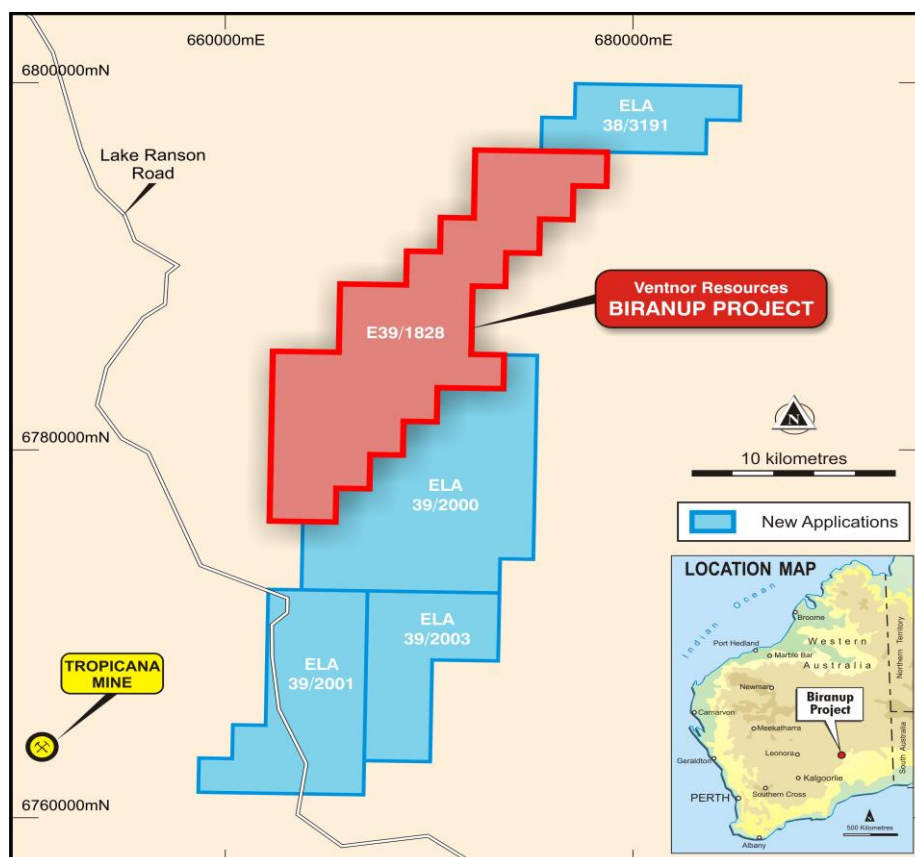
In early December Ventnor announced it has been awarded a drilling grant by the Western Australian State Government as part of the Co-Funding Industry Drilling Program. Ventnor was awarded \$125,000 to progress its drilling program at Silver Dragon.

The grant by the West Australian State Government is aimed at supporting innovative drilling by companies in greenfield areas, where additional drilling and promotional activities will potentially lead to new discoveries.

The co-funded drilling program is designed to fund high quality, technical and economically based projects which promote new exploration concepts and technologies. Proposals were assessed by a panel on the basis of geoscientific and exploration targeting merit.

New Ground applications

Ventnor has made application for four Exploration Licences adjacent to the Biranup Project. The additional licences are for 77 graticular blocks for a total project area of 370 km².



The priority for these new areas is for the Company to once again accumulate the historic data applicable to the areas. A significant geophysical, geochem and drilling database is available which will enable Ventnor to isolate areas of interest and select prospects for further exploration for base metals and gold.

Thaduna/Green Dragon Copper Project JV

The Thaduna Project is located 40km east of DeGrussa and represents the largest copper resource in the Doolgunna-Bryah Basin Region outside of Sandfire's Degrussa-Doolgunna Project (7.9Mt@1.8% Cu for 142,000 tonnes of contained copper). Until 22 August Sandfire owned a 35% interest in the Thaduna/Green Dragon project, and had entered into a farm-in agreement with Ventnor Resources Ltd to earn a further 45% (total of 80%).

Ventnor announced on 22 August 2016 that Ventnor Resources Ltd (Ventnor), Delgare Pty Ltd (Delgare), a wholly owned subsidiary of Ventnor, and Sandfire Resources NL (Sandfire) had executed agreements for Sandfire to purchase the remaining 65% of the Thaduna/Green Dragon Copper Project with Ventnor to maintain a royalty interest.

The Ventnor board ensured the sale agreement was structured to produce the same or very similar outcomes to those of the JV once mining of the resource commences.

Events Subsequent to the Quarter

Subsequent to the period Ventnor announced a follow up diamond drilling program at the Fire Dragon prospect in the Biranup Project area for late January 2017. A multi-purpose RC and diamond drill rig has been mobilized to site to drill an RC pre-collar with a diamond tail to drill deeper down the conductor and to generate drill core. This will allow for a much better understanding of the host rocks in the Fire Dragon area and to intersect the strongest conductive area, testing for nickel and copper sulphides. Also, the drill hole will be cased with PVC to undertake a DHEM survey, and if possible, the 2 RC holes will have the PVC re-instated to be included in that survey.

Assays for this program are expected towards the end of the March quarter.

The program follows the two-hole Reverse Circulation ("RC") program in late 2016, following up on two targets generated from the previous MLEM survey. As reported, the RC drilling intersected a pervasively sulphidic, predominantly pyrrhotite, mafic rock, with discrete zones of semi-massive to massive sulphides. Assay results have been received that confirm these zones are associated with peak copper, nickel and cobalt values and are anomalous, when compared to the background values in the rest of the holes, by an order of magnitude, warranting deeper drilling.

Selected chips from FRC001, similar to those below, were sent to A & A Crawford Geological consultants, Tasmania to determine the nature of the host rock and origin of the sulphides.

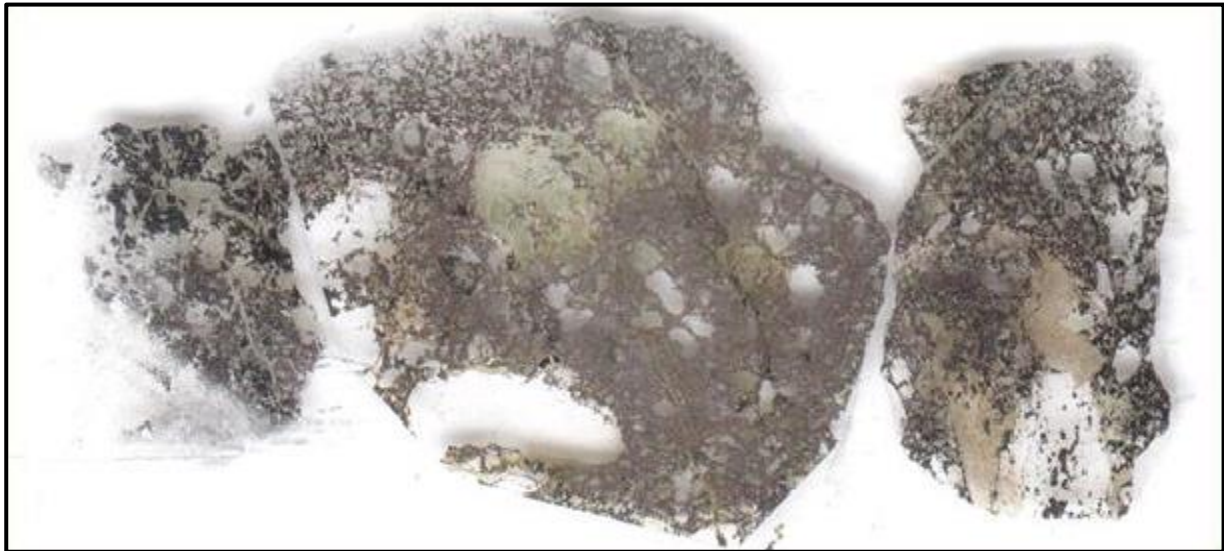
This analysis determined that, in one sample, the host rock was "*unambiguously a medium grained, mafic granulite likely derived from a gabbro or gabbronorite protolith*". It has been well documented that the protolith of the magmatic intrusive body that gave rise to the Nova – Bollinger magmatic nickel copper deposit was a gabbronorite.

The thin section analysis indicates that the host rocks at Fire Dragon are of the right type and origin to generate a magmatic base metals deposit.

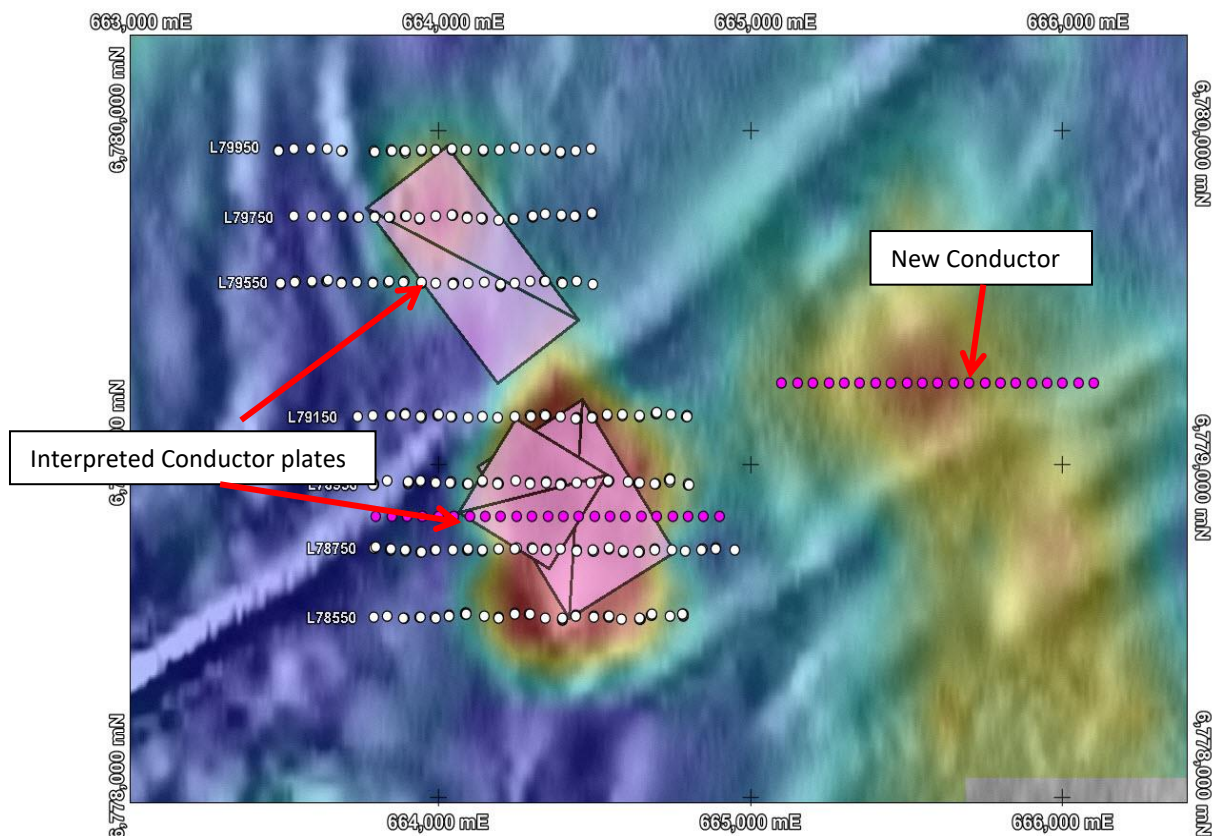
In addition to this work, a down hole electromagnetic survey ("DHEM") was attempted on the 2 RC holes that were drilled at Fire Dragon to better determine the best target to test the

known conductor. Unfortunately, the PVC casing that was installed become blocked, which precluded the survey from successfully testing the lower sulphide rich zones.

Whilst the geophysical survey crew was onsite additional lines of MLEM were surveyed. This data has allowed for better modelling of the conductor and to generate a new drill target. The eastern line has confirmed an additional conductor that will require further surveys to determine the orientation.



Polished thin section – dark and brassy domains are sulphides



***Additional MLEM survey points shown in pink at Fire Dragon
(background – Airborne EM)***

Corporate

The one for two non-renounceable rights issue of approximately 68,798,552 fully paid ordinary shares to eligible shareholders to raise approximately \$1.032 million (before costs) at 1.5 cents per share which was announced on 19 September was completed on 12 October and application shares issued by 14 October 2016. Shortfall shares were issued on 27 October.

On 21 October Ventnor announced it had received firm commitments for a placement of an additional 17,000,000 shares to sophisticated and professional investors at the same issue price as the one for two non-renounceable rights issue announced on 19 September to raise an additional \$255,000. This share placement was completed and shares issued on 21 October 2016.

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Competent Person's Statement

The information in this release that relates to Exploration Results is based on, and fairly represents, information compiled by Mr David Reid who is a Member of the Australian Institute of Geoscientists (MAIG). Mr Reid is a contractor to Ventnor Resources Limited. Mr Reid has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the "2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Reid consents to the inclusion in this report of the matters based on information provided by him and in the form and context in which it appears.

Interests in Mining Tenements

WESTERN AUSTRALIA

Warrawanda Project - Nickel

Tenement	Status	Interest at beginning of quarter (%)	Interests relinquished, reduced or lapsed (%)	Interests acquired or increased (%)	Interest at end of quarter (%)
E52/2372	Granted	100	-	-	100
P52/1242	Granted	100	-	-	100
P52/1243	Granted	100	-	-	100
P52/1244	Granted	100	-	-	100
P52/1281	Granted	100	-	-	100
P52/1282	Granted	100	-	-	100
P52/1283	Granted	100	-	-	100
ELA52/3447	Application	-	-	-	-

Biranup Project – Base Metals/Gold

Tenement	Status	Interest at beginning of quarter (%)	Interests relinquished, reduced or lapsed (%)	Interests acquired or increased (%)	Interest at end of quarter (%)
E39/1828	Granted	100	-	-	100
ELA38/3191	Application	0		100	100
ELA39/2000	Application	0		100	100
ELA39/2001	Application	0		100	100
ELA39/2003	Application	0		100	100