VENTNOR RESOURCES LIMITED

ABN 59 142 014 873

INTERIM FINANCIAL REPORT

FOR HALF-YEAR ENDED

31 DECEMBER 2016

CORPORATE DIRECTORY

DIRECTORS

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

SECRETARY

John Geary

REGISTERED AND PRINCIPAL OFFICE

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AUDITORS

RSM Australia 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 2016. 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)

PRINCIPAL ACTIVITIES

The principal continuing activities during the half-year of entities within the consolidated entity was mineral exploration.

REVIEW OF OPERATIONS

The net loss for the half-year attributable to members of Ventnor Resources Limited was $559,353 (2015: loss of $319,455).

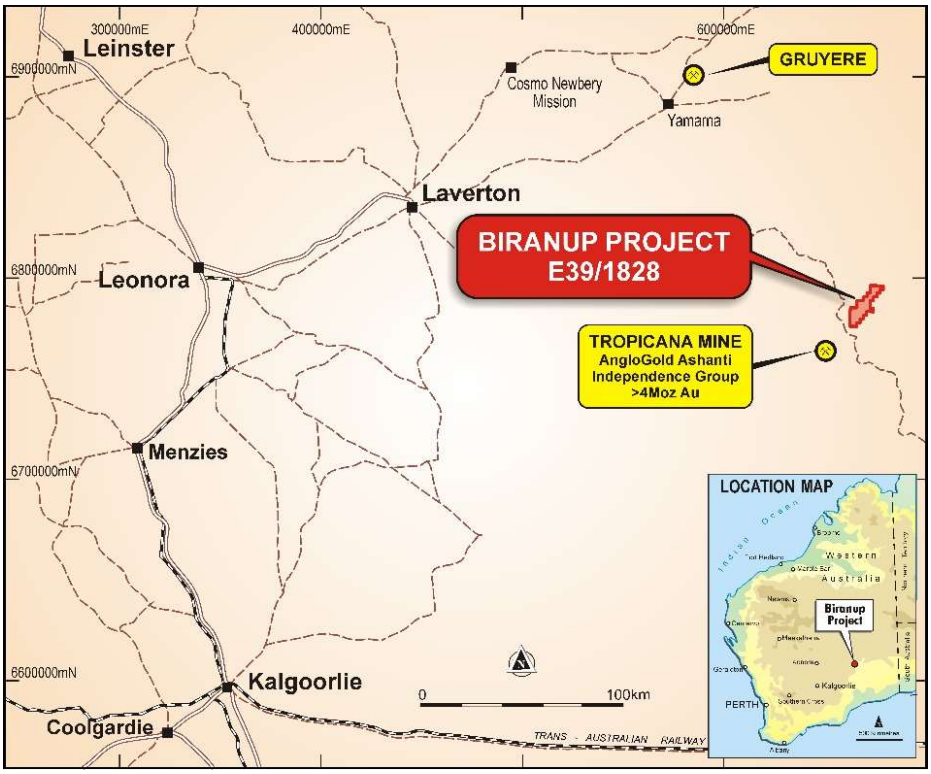
Exploration

Ventnor Resources Limited (Ventnor or the Company) provides the following summary of exploration activities conducted during the half-year ended 31 December 2016.

During the latter part of the period 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 December quarter at both Fire Dragon (2 holes) and Silver Dragon (1 hole). Assay 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 370km^2.

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 square 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 6Moz 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.

Tenement	E39/1828 (42 Blocks)
Activity	**Quantity**
Surface Rock Chip sampling	165 Samples
Soil sampling	2,566 Samples
Auger geochemistry	3,459 Samples
AC Drilling	1,044 holes (43,773m)
RC Drilling	66 holes (9,627m)
Diamond Drilling	4 holes (821m)
Gravity Survey	275 stations
Airborne Magnetic and Radiometric Survey	521 line kms
Airborne Electromagnetic Survey	284 line kms
Induced Polarisation Gradient Survey	22 line kms

Historic exploration conducted on EL39/1828

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.

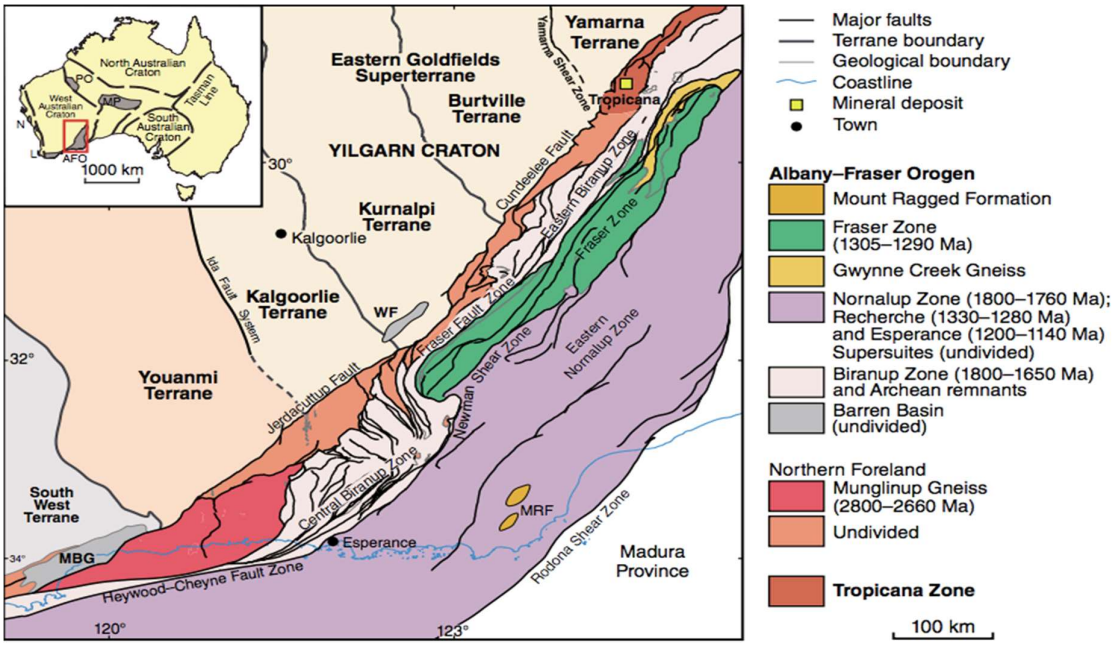
The database includes assays of soil samples, auger samples, AC, RC, and diamond drilling results, along with a significant geophysical database including gravity/mag and EM surveys. The Company has used specialists to evaluate all of the components of the database and has examined concurrent anomalies.

Immediately after the tenement was granted, Ventnor commenced field checking and data analysis work, and within six months had completed a maiden RC drilling program on the Black Dragon outcrop which produced high-grade assay results including 9 metres at 7.08g/t Au in BDRC1001 and 6 metres at 3.02g/t Au in BDRC1026 *(*ASX a*nnouncement 16th November 2015 – "Black Dragon Exploration Update*"). Whilst this drilling program hasn't yet resulted in an economic resource, it did confirm the presence of gold mineralisation at higher grades than previous drilling, supporting the Company's view regarding the remaining prospectivity of the tenement.

In 2016, Ventnor has continued to advance the Biranup Project area through acquisition of detailed 50m line-spaced aeromagnetic data, as well as satellite-acquired Emissivity and Quartz Mapping. These datasets have been reviewed in-house and by Company consultants to generate multiple exploration targets for testing.

Since the last drilling campaign, Ventnor has acquired high quality IP survey data and is re-evaluating the drilling data in conjunction with the IP data to plan a further drill program.

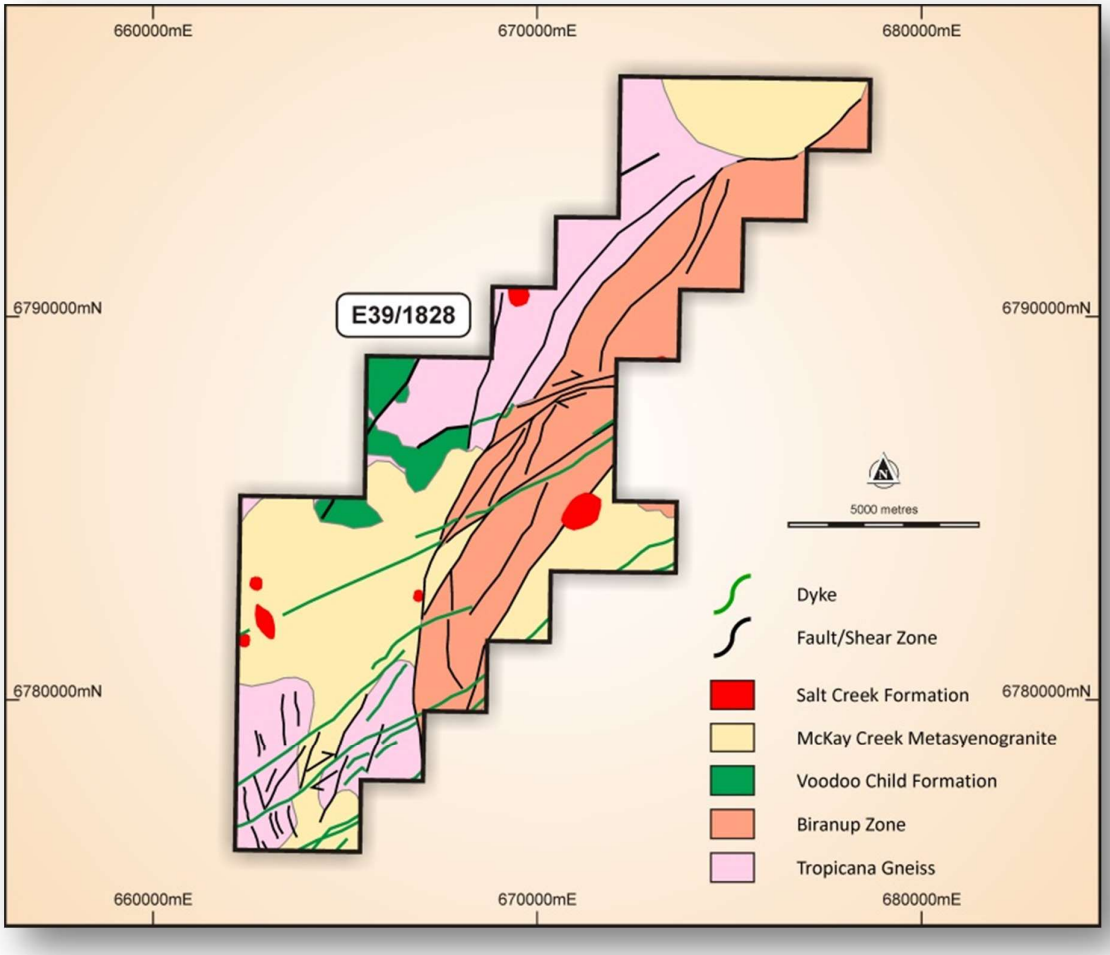
In adding to the geological knowledge of the tenement Ventnor has been able to reinterpret the regional basement geology, isolating a promising gold anomaly, and identifying an anomalous NiCu zone.



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

General Work Conducted during the Period

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.

A large airborne SPECTREM survey was flown previously, from which a review was carried out to assess survey data quality and to identify both regolith features and any anomalous EM responses that could indicate bedrock conductors associated with conductive semi-massive to massive sulphide mineralisation for follow-up work. As a result of this work, Ventnor has determined to proceed with on-ground MLEM surveys at Silver Dragon and Fire Dragon.

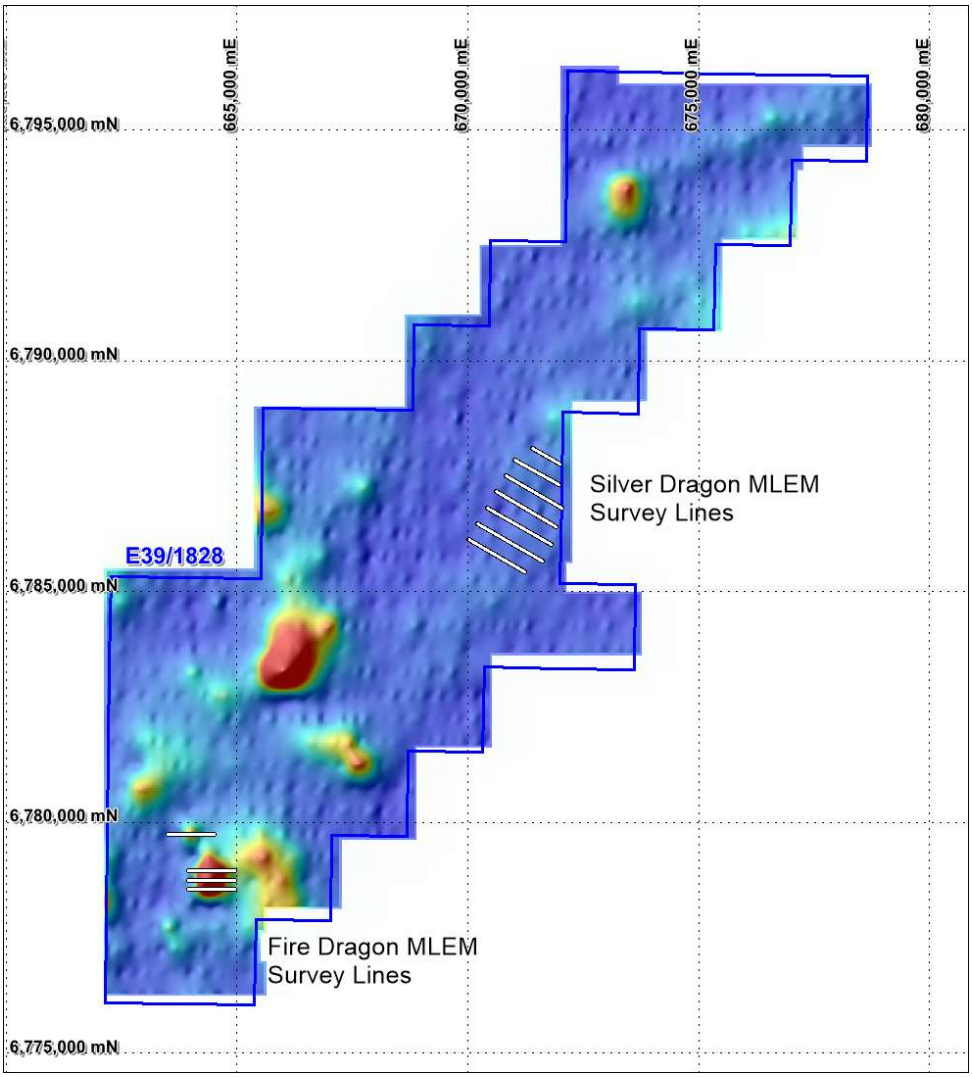
SPECTREM system specifications

SPECTREM is a fixed-wing time domain STEP response AEM system with capabilities to detect semi-massive to massive sulphides at considerable depth, in either conductive or resistive environments. SPECTREM records a full on-time measurement of the EM field using a 100% duty cycle square current waveform, which is processed to provide a STEP response signal at the receiver (Legault, 2015). A three component air-cored receiver coil is towed 128m behind the aircraft at a nominal flying height of 90m above the ground.

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.



Fire Dragon MLEM Survey Lines

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.

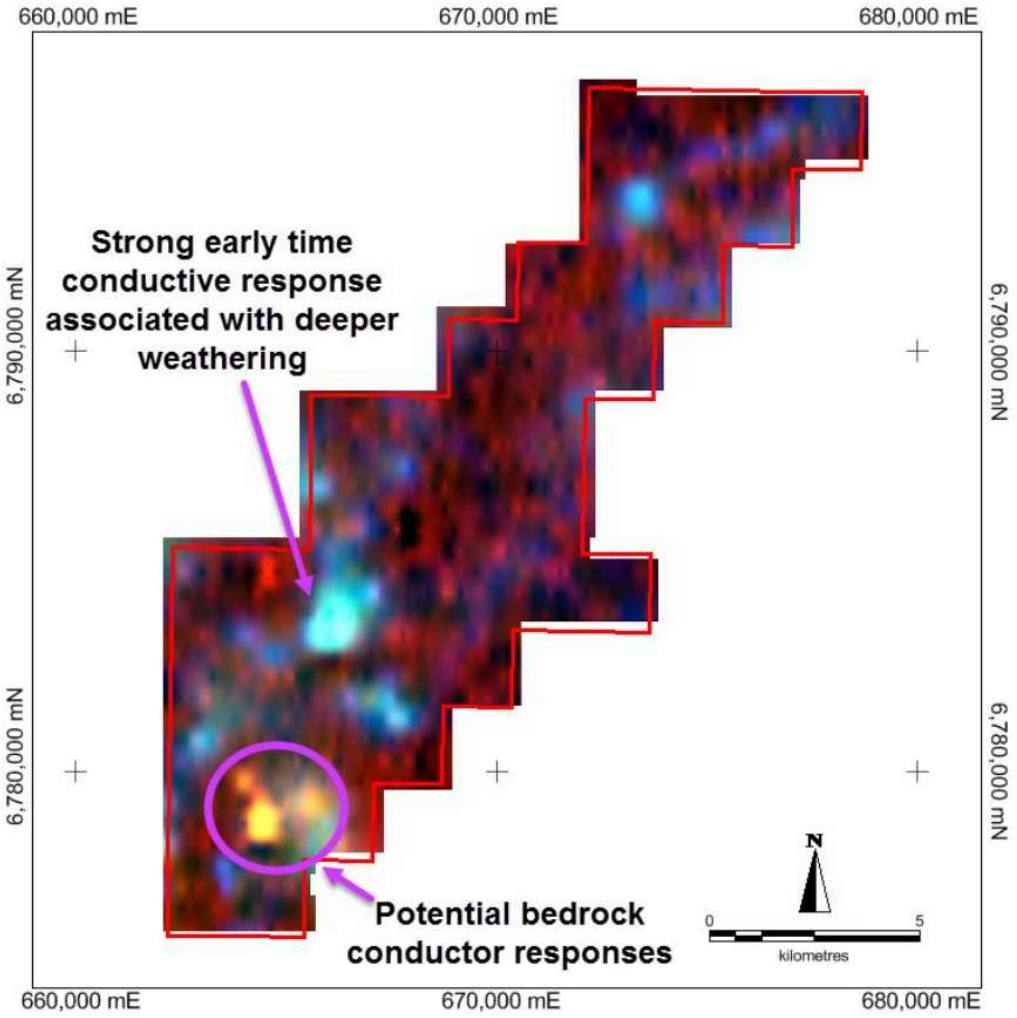
The prospectivity of both the Silver Dragon and Fire Dragon prospects is also well supported by coincident geochemical results, which are anomalous in base metals. The drilling at Fire Dragon was to test the mineralisation of the MLEM conductor, while the hole drilled at Silver Dragon was to be set up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

Fire Dragon – EM Anomaly

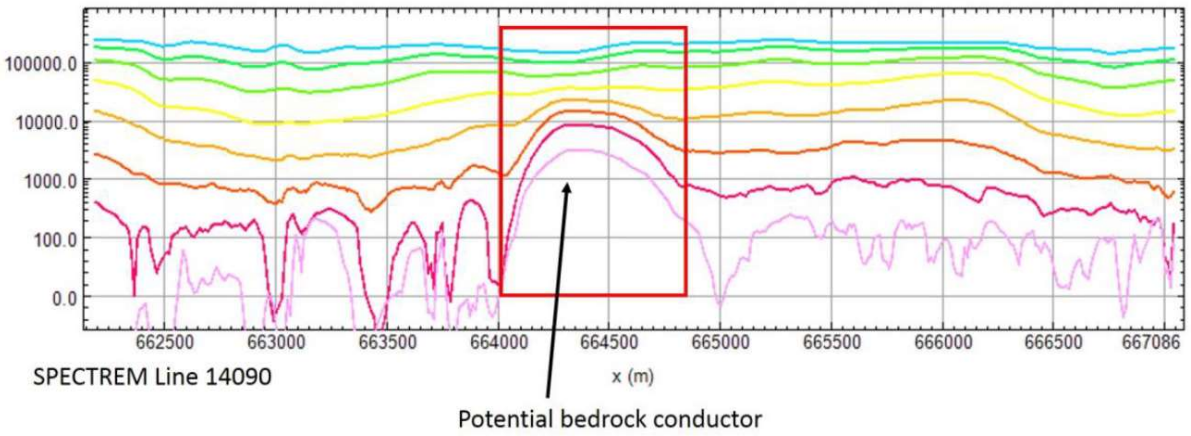
An additional exploration target has been highlighted at Fire Dragon which has been included for a further on-ground MLEM Survey conducted concurrently with the Silver Dragon survey.

Anomalous SPECTREM EM responses were observed in the middle-late time EM decay channels and are interpreted as discrete bedrock conductor anomalies that could be associated with semi-massive to massive sulphide mineralisation or conductive stratigraphy, such as pods of graphite from metamorphosed black shale.

The figure below shows the later time channel ternary RGB image (0.5VD filtered time decay channels R = 9, G = 7 and B = 5) highlighting the bedrock conductor responses observed at the Fire Dragon prospect in purple. Tenement outline shown in red. Coordinates are GDA 94, MGA 51.

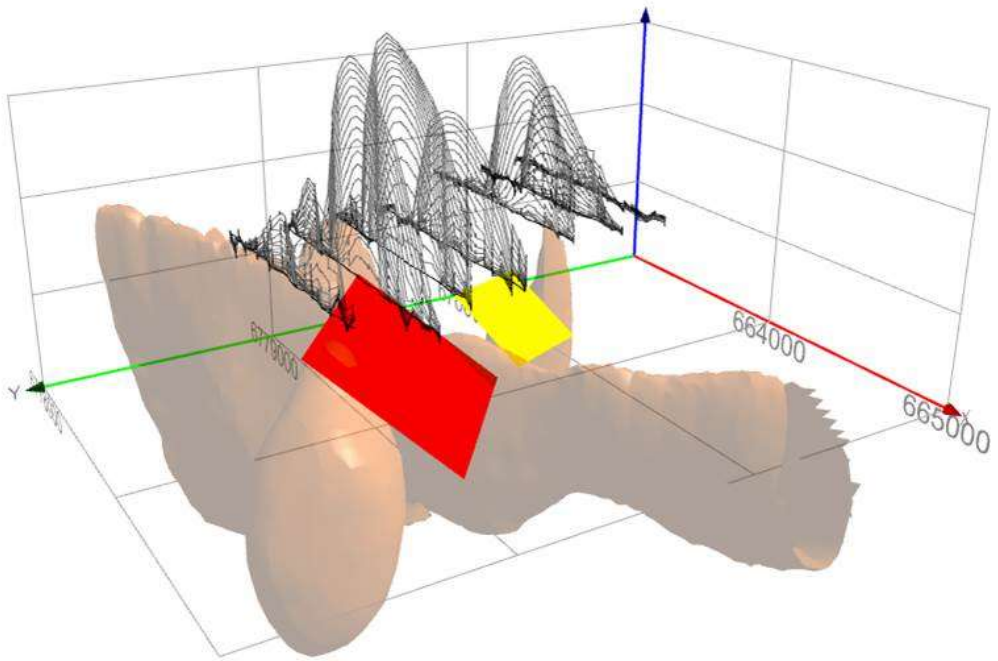


The Z component SPECTREM response profile from survey line 14090, (which transects the Fire Dragon anomaly) is shown below. This is interpreted as a middle-late time bedrock conductor anomaly. It is the strongest bedrock conductor anomaly observed, and is also associated with a discrete weak magnetic anomaly which would be unusual if associated with conductive shale or graphite in this geological setting.

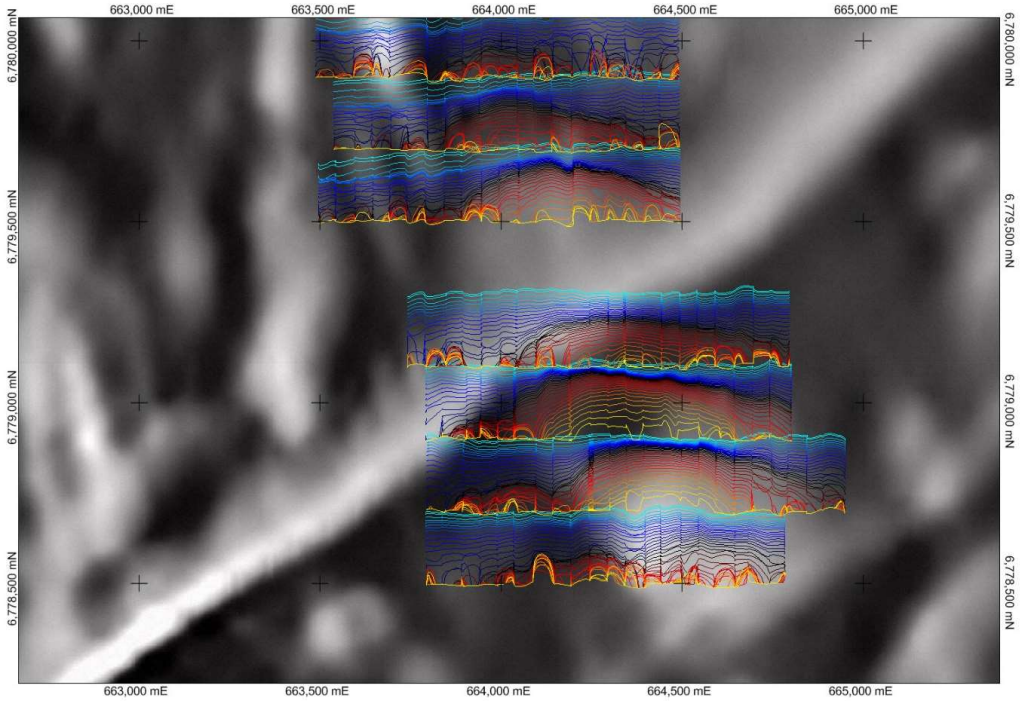


In support of the geophysical interpretation, there is geochemical anomalism associated with the Fire Dragon SPECTREM anomaly. Aircore bottom-of-hole assays for silver and cobalt are anomalous. The peak value, which is on the southern edge of the EM anomaly, is a bottom-of-hole sample that returned 28.68g/t silver and 0.32% cobalt.

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.

Red Dragon - Gold

Evaluation of the geophysical and geochemistry databases have identified a compelling gold anomaly situated within a demagnetised zone with an elevated background of gold in geochemistry. The deepest hole drilled previously within the anomaly is isolated and includes 1 metre at 13.4 g/t Au from 147 metres down a 60º inclined RC hole. Further work planned includes a gradient array IP survey and drill holes to follow up the previously identified high-grade anomaly.

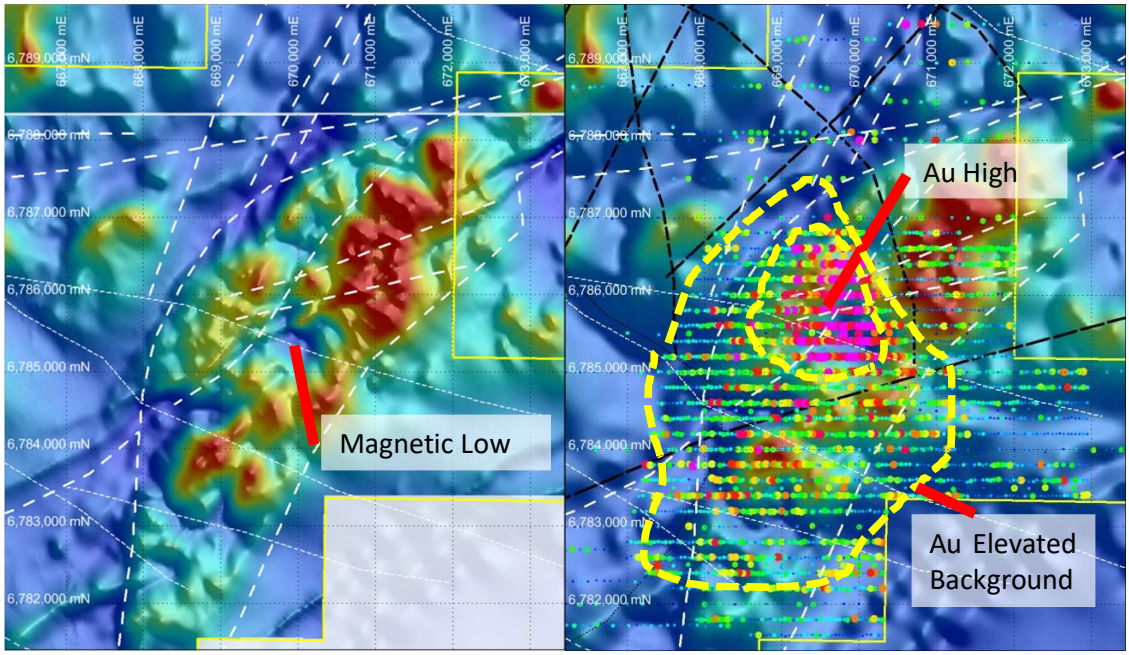


Figure Left - magnetic reduced to pole image of the Red Dragon area with significant magnetic breaks (faults) in white dash lines.

Figure Right - gold in soil anomalism overlain on the magnetics showing a zoned anomaly approximately 6 km by 3km in area (outer yellow dash line) with higher grade gold in soil anomaly approximately 1.5km by 1.5km (inner yellow dash line).

Silver Dragon – Cu-Ni Anomaly

The Company has identified a magnetic feature north-east of Red Dragon associated with elevated copper, cobalt, and nickel in soil sampling and mafic to ultramafic rocks.

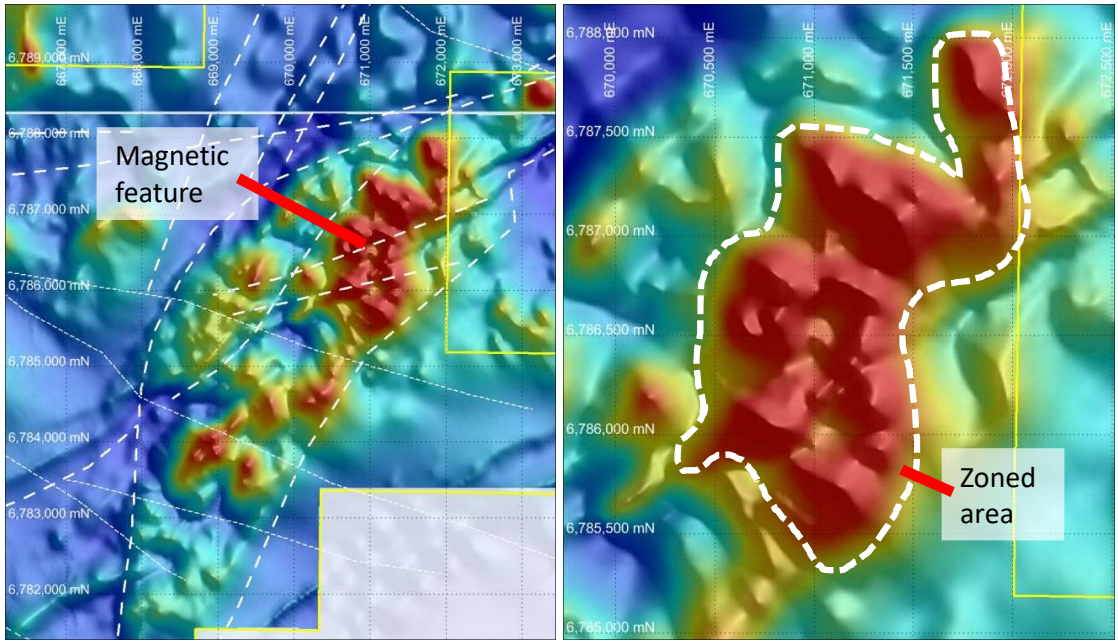


Figure Left - magnetic reduced to pole image of the Red Dragon area with significant magnetic breaks (faults) in white dash lines.

Figure Right - showing zoomed-in area of a zoned magnetic high.

The zoned area has elevated base metals auger geochemistry and ovoidal zoning features in the tilt derivative.

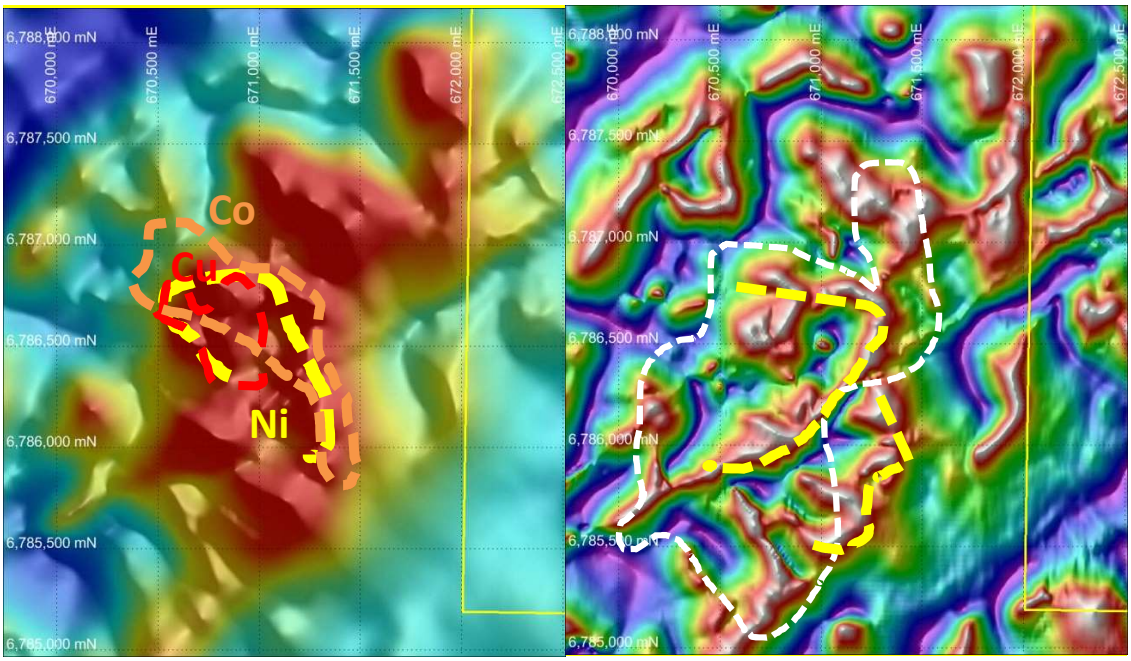


Figure Left - magnetic reduced to pole image of zoned magnetic high area with dash outlines showing the location of the copper, cobalt, and nickel anomalies in soils in an area 3km by 2km.

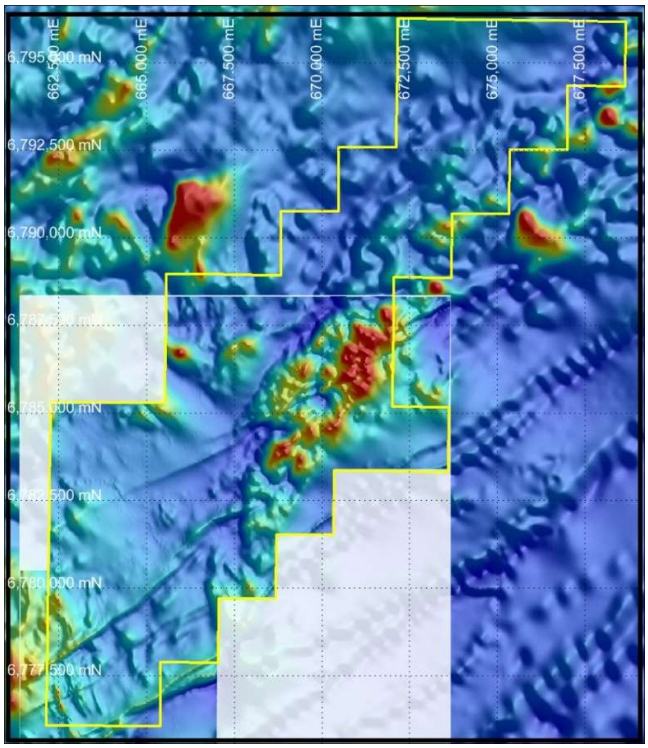
Figure Right – the same area with a tilt-derivative magnetic image showing zoned areas (yellow dash lines).

Recent sampling has indicated mafic and ultramafic type rocks. During the quarter under review, the Company designed a future work program including a Moving Loop Electromagnetic (MLEM) survey with potential follow-up drilling on any identified targets. The target type is potentially nickel-copper-cobalt sulphides associated with a mafic to ultramafic intrusion.

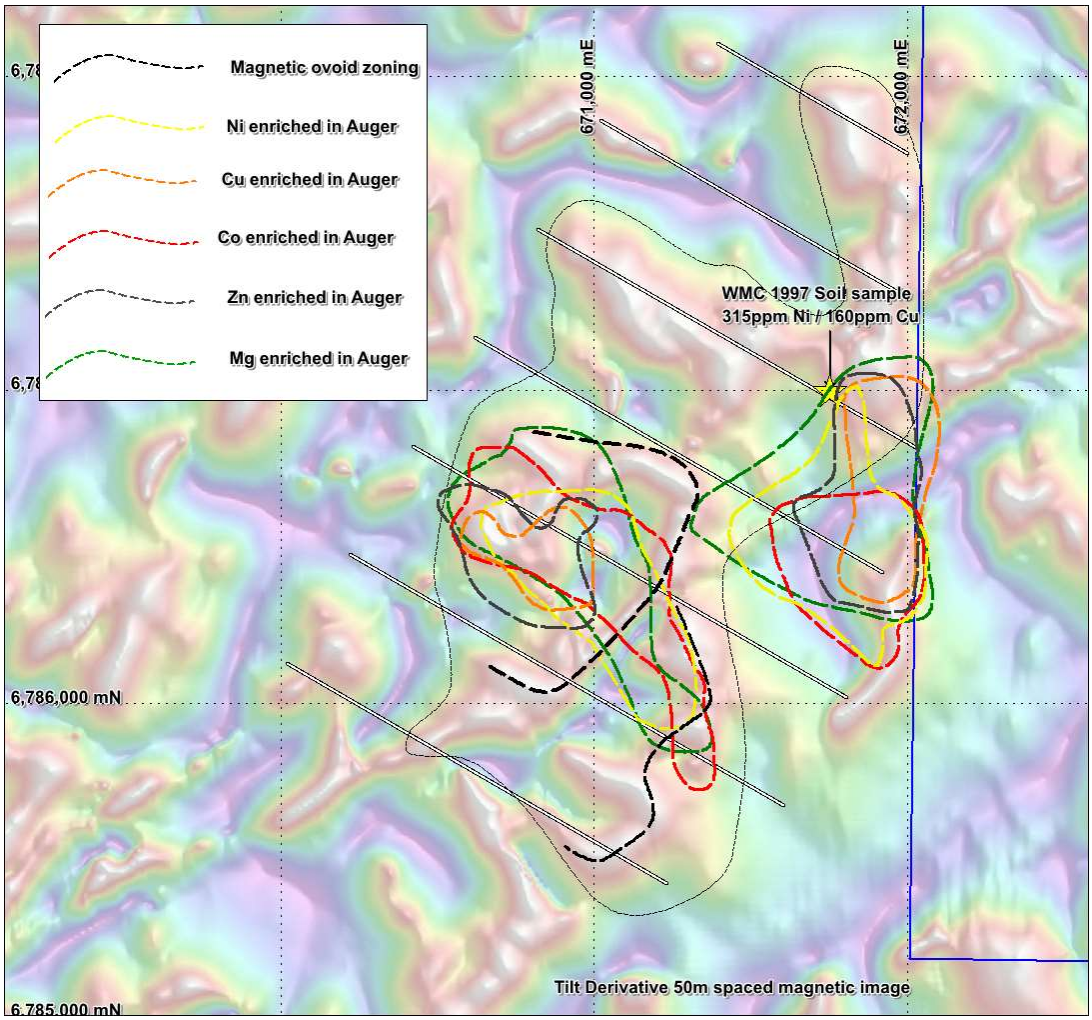
During the year prior to this quarter Ventnor acquired high-resolution magnetic data over the southern half of the tenement to assist in detailed evaluation.

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.



Detailed 50m spaced lines aeromagnetic data over the southern portion of the project area merged in with the regional magnetic data.



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

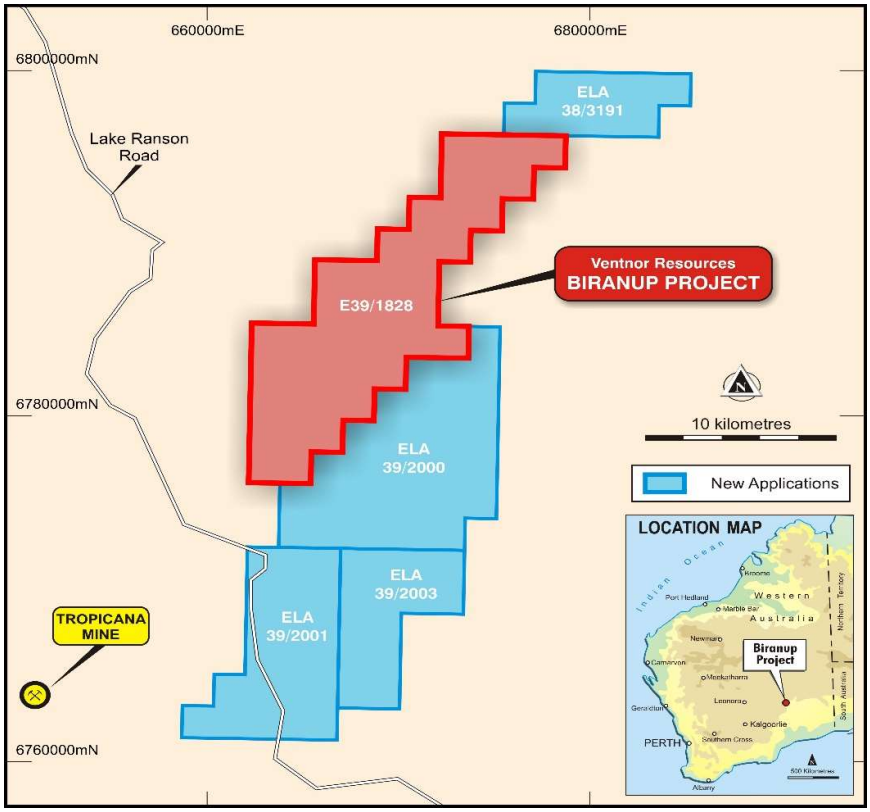
In early December Ventnor announced it has been awarded a drilling grant by the Western Australian State Government as part of the Co-Funding Industry Drilling Program. Ventnor was awarded $125,000 to progress its drilling program at Silver Dragon.

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 km^2.



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

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.

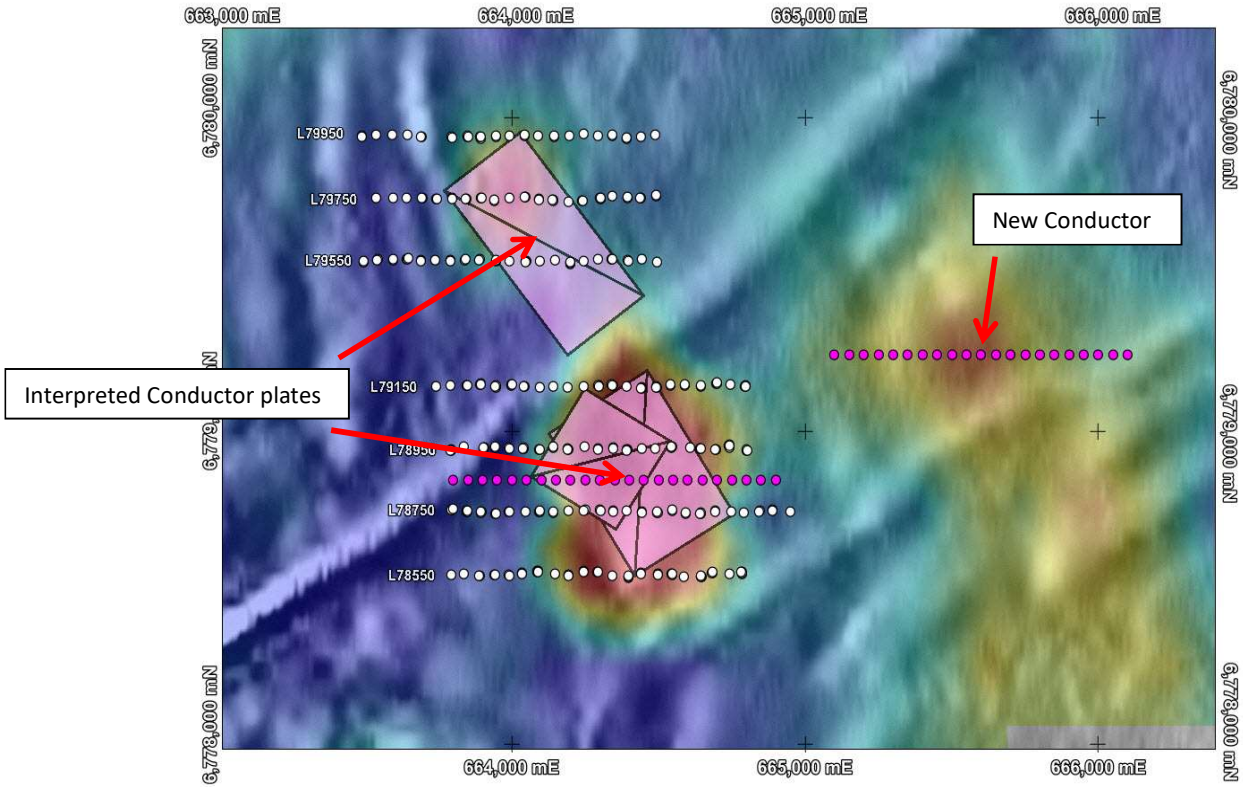
This analysis determined that, in one sample, the host rock was "*unambiguously a medium grained, mafic granulite likely derived from a gabbro or gabbronorite protolith*". It has been well documented that the protolith of the magmatic intrusive body that gave rise to the Nova – Bollinger magmatic nickel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

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.

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.

CHANGES IN STATE OF AFFAIRS

During the half-year ended 31 December 2016 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 8 to the financial statements.

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 2016 is included within this financial report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Paul Boyatzis
Chairman

Perth, 14 March 2017

STATEMENT OF COMPREHENSIVE INCOME
For the half-year ended 31 December 2016

	Consolidated	
	31 December 2016 $	**31 December 2015 $**
Continuing operations		
Revenue	**45,703**	37,332
Exploration and evaluation expenditure	**(60,758)**	(51,128)
Depreciation	**(10,583)**	(17,064)
Directors fees and benefits expense	**(79,750)**	(79,750)
Share based payments	**(69,500)**	-
Loss on sale of available for sale financial assets	**(100,591)**	-
Corporate and administration expenses	**(283,874)**	(208,845)
Loss before income tax expense	**(559,353)**	(319,455)
Income tax expense	**-**	-
Net loss for the period	**(559,353)**	(319,455)
Other comprehensive income	**-**	-
Other comprehensive income for the period, net of tax	**-**	-
Total comprehensive loss attributable to members of Ventnor Resources Limited	**(559,353)**	(319,455)
Basic and diluted loss per share (cents per share)	**(0.33)**	(0.23)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
As at 31 December 2016

	Note	Consolidated 31 December 2016 $	Consolidated 30 June 2016 $
ASSETS			
Current Assets			
Cash and cash equivalents		**2,070,228**	84,070
Trade and other receivables		**105,616**	38,309
		2,175,844	122,379
Non-current asset held for sale	2	**-**	1,700,000
Total Current Assets		**2,175,844**	1,822,379
Non-Current Assets			
Trade and other receivables		**42,000**	42,000
Plant and equipment		**3,950**	14,533
Deferred exploration expenditure	3	**1,827,876**	1,403,001
Total Non-Current Assets		**1,873,826**	1,459,534
Total Assets		**4,049,670**	3,281,913
LIABILITIES			
Current Liabilities			
Trade and other payables		**95,292**	70,459
Provisions		**61,152**	56,941
Total Current Liabilities		**156,444**	127,400
Total Liabilities		**156,444**	127,400
Net Assets		**3,893,226**	3,154,513
EQUITY			
Issued capital	4	**20,571,809**	19,343,243
Reserves		**1,620,756**	1,551,256
Accumulated losses		**(18,299,339)**	(17,739,986)
Total Equity		**3,893,226**	3,154,513

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2016

Consolidated	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance at 1 July 2016	**19,343,243**	**1,551,256**	**(17,739,986)**	**3,154,513**
Loss for period	**-**	**-**	**(559,353)**	**(559,353)**
Total comprehensive loss for period	**-**	**-**	**(559,353)**	**(559,353)**
Securities issued during the period	**1,286,977**	**-**	**-**	**1,286,977**
Capital raising costs	**(58,411)**	**-**	**-**	**(58,411)**
Cost of share based payments	**-**	**69,500**	**-**	**69,500**
Balance at 31 December 2016	**20,571,809**	**1,620,756**	**(18,299,339)**	**3,893,226**
Balance at 1 July 2015	19,343,243	1,551,256	(7,726,269)	13,168,230
Loss for period	-	-	(319,455)	(319,455)
Total comprehensive loss for period	-	-	(319,455)	(319,455)
Balance at 31 December 2015	19,343,243	1,551,256	(8,045,724)	12,848,775

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2016

	Consolidated	
	31 December 2016 $	**31 December 2015 $**
Cash flows from operating activities		
Payments to suppliers and employees	**(418,045)**	(225,185)
Interest received	**4,738**	3,705
Other income	**8,700**	-
Net cash (used in) operating activities	**(404,607)**	(221,480)
Cash flows from investing activities		
Expenditure on mining interests	**(445,607)**	(376,586)
Proceeds from sale of available for sale financial assets	**1,599,409**	-
Dividends received	**14,912**	-
Net cash provided by/(used in) investing activities	**1,168,714**	(376,586)
Cash flows from financing activities		
Proceeds from issue of shares	**1,286,977**	-
Payment of capital raising costs	**(64,926)**	(21,465)
Proceeds from borrowings	**100,000**	-
Repayment of borrowings	**(100,000)**	-
Net cash provided by/(used in) financing activities	**1,222,051**	(21,465)
Net increase/(decrease) in cash held	**1,986,158**	(619,531)
Cash at beginning of the half-year	**84,070**	1,027,759
Cash at end of the half-year	**2,070,228**	408,228

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 2016 have 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. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

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 2016 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. NON-CURRENT ASSET HELD FOR SALE

	31 December 2016 $	30 June 2016 $
Current		
Thaduna/Green Dragon Copper Project	-	1,700,000

At 30 June 2016, the Thaduna/Green Dragon Copper Project was held for sale to Sandfire Resources NL. The value of the project had been impaired by $9,379,362 to $1,700,000, being the fair value of expected proceeds less costs to sell.

On 19 August 2016, the Company and its wholly owned subsidiary Delgare Pty Ltd ("Delgare"), which owned 65% of the Thaduna/Green Dragon Copper Project, signed an agreement with Sandfire Resources NL ("Sandfire") for Sandfire to acquire 100% ownership of the project. Previously, the Company had entered into a Joint Venture with Sandfire on the project. On 4 December 2013 Sandfire had paid the Company $3 million for an initial 35% interest in the project with the ability to earn up to 80% under the terms of the joint venture agreement.

Sandfire acquired the remaining 65% of the Thaduna/Green Dragon copper project on 23 August 2016 on the following terms: An immediate transfer of Sandfire shares to Delgare to a value of $1,700,000, further payment of $950,000 if Sandfire proceeds with a decision to mine from the project with a 1.8% initial Net Smelter Royalty (NSR) payable up to 90,000 tonnes of recovered copper production and an ongoing NSR of 0.9% on further production (increasing to 1.0% after the total NSR payable to LinQ Corporate Pty Ltd, discussed below, is reached).

Under a previous deed of settlement with LinQ Corporate Pty Ltd ("LinQ") which was in place from the joint venture agreement for which LinQ was the corporate advisor, future payments to LinQ were to be made by the Company upon completion of various stages of the joint venture agreement. In return for LinQ releasing the Company in full from this contingent liability, LinQ received the following terms from Sandfire: An immediate transfer of Sandfire shares to LinQ to a value of $300,000, further payment of $50,000 if Sandfire proceeds with a decision to mine from the project with a 0.2% initial Net Smelter Royalty (NSR) payable up to 90,000 tonnes of recovered copper production and an ongoing NSR of 0.1% on further production, to a total NSR of $1,600,000.

The available for sale financial asset of listed Sandfire shares to the value of $1,700,000 received on the sale of the project were sold during the period for $1,599,409, realising a loss on disposal of $100,591.

3. DEFERRED EXPLORATION EXPENDITURE

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

	31 December 2016 $	30 June 2016 $
Exploration and evaluation phase – at cost	**1,827,876**	1,403,001
Movement		
Balance at beginning of half-year	**1,403,001**	
Expenditure incurred	**485,633**	
Expenditure written off	**(60,758)**	
Total deferred exploration expenditure	**1,827,876**	

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.

4. ISSUED CAPITAL

	31 December 2016 $	30 June 2016 $
Issued Capital		
Ordinary shares – fully paid	**20,571,809**	19,343,243
Movement in ordinary shares on issue	**Number**	**$**
Ordinary shares – fully paid		
Balance at beginning of half-year	137,597,105	19,343,243
Issued pursuant to underwritten entitlement offer	68,798,484	1,031,977
Issued pursuant to placement	17,000,000	255,000
Expense of issue	-	(58,411)
Balance at end of half-year	223,395,589	20,571,809

5. 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 2016, 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 (2015: Nil) are derived from a single external customer.

6. DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period. (2015: Nil)

7. CONTINGENT LIABILITIES AND ASSETS

Contingent liabilities
As disclosed in note 2, sale of the Thaduna/Green Dragon Copper Project to Sandfire Resources NL was completed during the half year. As a result, the contingent liabilities disclosed on 30 June 2016 annual financial report with LinQ Corporate Pty Ltd was extinguished.

Contingent assets
As disclosed in note 2, sale of the Thaduna/Green Dragon Copper Project to Sandfire Resources NL was completed during the half year. As a result, Sandfire Resources NL will make a further payment of $950,000 if it proceeds with a decision to mine from the project with a 1.8% initial Net Smelter Royalty (NSR) payable up to 90,000 tonnes of recovered copper production and an ongoing NSR of 0.9% on further production.

Other than the above, there has been no change in contingent liabilities and contingent assets since the last annual reporting date.

8. 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.

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:

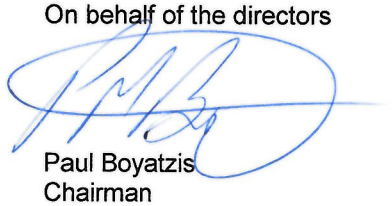
   a. Complying with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   b. Giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 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.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Paul Boyatzis
Chairman

Perth, 14 March 2017

RSM Australia Partners

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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 2016, 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 2016 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 2016 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS

A Whyte

ALASDAIR WHYTE
Partner

Perth, WA
Dated: 14 March 2017

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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 2016, 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

RSM AUSTRALIA PARTNERS

A Whyte

ALASDAIR WHYTE
Partner

Perth, WA
Dated: 14 March 2017