



VENTNOR RESOURCES LIMITED

ACN 142 014 873

NON-RENOUNCEABLE RIGHTS ISSUE OFFER DOCUMENT

**A non-renounceable pro rata offer of New Shares at an issue price of \$0.035 each
on the basis of 1 New Share for every 8 Shares held on the Record Date.**

**THE OFFER IS CURRENTLY SCHEDULED TO CLOSE AT 5.00PM WST ON 15 DECEMBER 2017
VALID APPLICATION FORMS MUST BE RECEIVED BEFORE THAT TIME.**

**PLEASE READ THE INSTRUCTIONS IN THIS RIGHTS ISSUE OFFER DOCUMENT AND ON THE
ENTITLEMENT AND ACCEPTANCE FORM REGARDING ACCEPTANCE OF SHARES UNDER THE OFFER.**

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IT SHOULD BE READ IN ITS ENTIRETY. IT IS NOT A PROSPECTUS AND DOES NOT CONTAIN ALL OF
THE INFORMATION THAT AN INVESTOR WOULD FIND IN A PROSPECTUS OR WHICH MAY BE
REQUIRED IN ORDER TO MAKE AN INFORMED INVESTMENT DECISION REGARDING, OR ABOUT THE
RIGHTS ATTACHING TO, THE SHARES BEING OFFERED BY THIS DOCUMENT**

**THE SHARES OFFERED BY THIS RIGHTS ISSUE OFFER DOCUMENT
SHOULD BE CONSIDERED SPECULATIVE IN NATURE**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD
CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.**

IMPORTANT INFORMATION

This Rights Issue Offer Document is dated 28 November 2017.

The Offer is being made without a prospectus under section 708AA of the Corporations Act 2001 and ASIC Corporations (Non-Trading Rights Issues) Instrument 2016/84. This Rights Issue Offer Document does not contain all of the information which a prospective investor may require to make an informed investment decision. The information in this Rights Issue Offer Document does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

The Company may make additional announcements after the date of this Rights Issue Offer Document and throughout the period that the Offer is open that may be relevant to your consideration about whether you should participate in the Offer.

No party other than the Company has authorised or caused the issue of this Rights Issue Offer Document, or takes any responsibility for, or makes, any statements, representations or undertakings in this Rights Issue Offer Document.

Neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made under this Rights Issue Offer Document. Neither ASX nor ASIC takes any responsibility for the contents of this Rights Issue Offer Document or the merits of the investment to which this Rights Issue Offer Document relates.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Rights Issue Offer Document and you have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Rights Issue Offer Document.

Capitalised terms in this section have the meaning given to them in this Information Booklet.

Eligibility

Applications for New Shares by Eligible Shareholders can only be made on the original Entitlement and Acceptance Form, as sent with this Rights Issue Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's entitlement to participate in the Offer.

Overseas Shareholders

No offer will be made to Shareholders resident outside Australia and New Zealand.

This Rights Issue Offer Document and accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Rights Issue Offer Document. The distribution of this Rights Issue Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Rights Issue Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Privacy

The Company collects information about each applicant provided on an Entitlement and Acceptance Form for the purposes of processing the application and, if the application is successful, to administer the applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each applicant agrees that the Company may use the information provided by an applicant on the Entitlement and Acceptance Form for the purposes in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers,

including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

An applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Taxation

There will be tax implications associated with participating in the Entitlement Offer and receiving New Shares. The Company considers that it is not appropriate to give advice regarding the tax consequences of subscribing for New Shares under this Rights Issue Offer Document or the subsequent disposal of any New Shares. The Company recommends that you consult your professional tax adviser in connection with the Offer.

No representations

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Rights Issue Offer Document. Any information or representation in connection with the Offer not contained in the Rights Issue Offer Document may not be relied upon as having been authorised by the Company or any of its officers.

Past performance

Investors should note that the Company's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) the Company's future performance including the Company's future financial position or share price performance.

Future performance

This Rights Issue Offer Document contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of the Company and certain plans and objectives of the management of the Company. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither the Company, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, those forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of the Company. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this Rights Issue Offer Document in light of those disclosures.

Risks

Refer to the 'Risk factors' section 4 of this Rights Issue Offer Document.

Not a prospectus

This document is not a prospectus and has not been lodged with ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares being offered by this document.

This page left intentionally blank.

Table of Contents

1.	Offer Overview and Indicative Timetable	1
1.1	Offer Overview	1
1.2	Indicative Timetable	1
2.	Details of Offer	2
2.1	Offer	2
2.2	Top-Up Facility	3
2.3	Shortfall Facility	3
2.4	No underwriting	3
2.5	Use of Funds	4
2.6	No Rights trading	4
2.7	ASX quotation	4
2.8	Risk Factors	4
2.9	Effect of the Offer on control of the Company	5
2.10	Option Holders	6
2.11	Effect on the Company's financial position	6
2.12	Directors' interests in Company securities	8
2.13	Taxation implications	8
2.14	Overseas Shareholders	8
2.15	CHESS and issuer sponsorship	9
2.16	Enquiries	10
3.	Action Required	11
3.1	Acceptance of Shares under this Rights Issue Offer Document	11
3.2	If you wish to take up only part of your entitlement	11
3.3	If you do not wish to take up your entitlement	12
4.	Risk Factors	13
4.1	Company Specific Risks	13
4.2	General Mineral Industry Risks	15
4.3	Investment Speculative	19
5.	Corporate Directory	20
6.	Glossary of Terms	21

1. Offer Overview and Indicative Timetable

1.1 Offer Overview

Overview	
Ratio	1 New Share for every 8 Shares held on the Record Date
Issue Price	\$0.035 per New Share
No. New Shares	Approximately 27,924,449 New Shares
Proceeds	Approximately \$977,356 million (before costs of the Offer)

1.2 Indicative Timetable

Event	Date
Lodgment of Appendix 3B and s708AA notice	28 November 2017
Notices to Shareholders and Optionholders	28 November 2017
Existing Shares quoted on an "ex" basis	30 November 2017
Record Date	1 December 2017
Rights Issue Offer Document and Entitlement and Acceptance Form sent to Eligible Shareholders	6 December 2017
Closing Date	15 December 2017
Shares quoted on a deferred settlement basis	18 December 2017
Company to notify ASX of under subscriptions (if any)	20 December 2017
Anticipated date for the issue of the New Shares	22 December 2017
Deferred settlement trading ends	22 December 2017
Normal trading (on a T+2 basis) commences	27 December 2017

Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the New Shares.

2. Details of Offer

2.1 Offer

The Company is making a non-renounceable pro-rata offer of Shares to Shareholders whose registered address is in Australia and New Zealand (**Eligible Shareholders**) on the basis of 1 New Share for every 8 Shares held at the Record Date, each at an issue price of \$0.035 (**Offer**). Where the determination of the entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded down to the nearest whole Share.

As at the Record Date, the Company will have 223,395,589 Shares on issue. The Company expects that up to approximately 27,924,449 New Shares will be issued under the Offer.

The Company will accept Entitlement and Acceptance Forms until 5.00pm WST on the Closing Date in Section 1.2 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

Your entitlement is shown on the personalised Entitlement and Acceptance Form accompanying this Rights Issue Offer Document. You may accept the Offer only by applying for Shares on the Entitlement and Acceptance Form.

Acceptances must not exceed your entitlement as shown on the Entitlement and Acceptance Form, although you may accept for all or only part of your entitlement. If your acceptance exceeds your entitlement, acceptance will be deemed to be for your maximum entitlement and any surplus application monies will be returned to you.

Acceptance of a completed Entitlement and Acceptance Form by the Company creates a legally binding contract between the applicant and the Company for the number of Shares accepted or deemed to be accepted by the applicant. The Entitlement and Acceptance Form does not need to be signed by the applicant to be legally binding. The Offer and contract formed on acceptance are governed by the laws of Western Australia.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

Shares offered by this Rights Issue Offer Document are expected to be issued, and security holder statements dispatched, on the date specified in the timetable in Section 1.2.

It is the responsibility of applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

2.2 Top-Up Facility

Eligible Shareholders will be entitled to apply for additional New Shares in excess of their entitlement, at the same price as under the Offer (**Top-Up Facility**).

Shareholders wishing to subscribe for additional New Shares under the Top-Up Facility must apply for those Shares at the same time as they apply for New Shares under their entitlement.

There is no limit on the number of additional New Shares that Eligible Shareholders may apply for under the Top-Up Facility, however, applications under the Top-Up Facility will only be satisfied to the extent there is a shortfall under the Offer.

The issue of additional New Shares under the Top-Up Facility is at the discretion of the Directors. Should such applications exceed the number of New Shares available, a scale-back will be applied in a manner determined by the Directors.

Please refer to Section 3.1 for further information on applying for additional New Shares under the Top-Up Facility.

2.3 Shortfall Facility

A shortfall may arise if applications received for New Shares under the Offer (including after the completion of the Top-Up Facility and the entitlements of ineligible Shareholders are taken into account) are less than the number of New Shares available under the Offer.

The Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to place remaining Shortfall Shares within three months after the Closing Date to either existing Shareholders or new investors at their discretion. If issued, the Shares will be issued at a price not less than the issue price of New Shares under the Offer. Shareholders will not receive any payment or value for entitlements not taken up under the Offer that are subsequently taken up under this facility.

All Shortfall Shares will be allocated at the discretion of the Directors.

2.4 No underwriting

The Offer is not underwritten.

2.5 Use of Funds

It is proposed that the proceeds raised from the Offer be allocated as follows:

Proposed use of funds	Amount (\$)
Conducting further prospect reviews, market evaluations, exploration programs, testwork and feasibility studies on the Company's existing and future projects (including evaluating the recently announced Arrowsmith project to potentially supply sand to the construction, glass making and proppant industries), costs of the issue, and for general working capital and administration purposes.	500,000
Expenses of the Offer	10,000
General working capital and administration	467,356
Total funds raised under the offer	\$977,356

Actual expenditure may differ significantly from the above estimates due to a number of factors including market conditions, the development of new opportunities (including new resource projects), the results obtained from the staged approach to exploration, appraisal and development activities and other factors.

The above table is a statement of the Company's current intentions as at the date of this Rights Issue Offer Document. As with any budget, intervening events including the outcome of exploration activities and other new circumstances have the potential to affect the manner in which funds are ultimately applied. The Board reserves the right to alter the way funds are applied.

2.6 No Rights trading

The pro-rata offer of Shares is non-renounceable, which means that Eligible Shareholders may not sell or transfer all or any part of their entitlement to subscribe for New Shares under the Offer.

2.7 ASX quotation

Application will be made to ASX for the Official Quotation of the Shares to be issued under the Offer. If permission is not granted by ASX for the Official Quotation of the Shares to be issued under the Offer, the Company will repay, as soon as practicable, without interest, all application monies received pursuant to the Offer.

2.8 Risk Factors

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are described in Section 4.

2.9 Effect of the Offer on control of the Company

The potential effect the Offer will have on each Shareholder's percentage interest in the total issued capital is as follows:

- (a) if all Eligible Shareholders take up their entitlement, each Eligible Shareholder's percentage in the total issued Shares of the Company will remain the same and will not be diluted; and
- (b) if some but not all Eligible Shareholders take up their entitlement, and some or all of the Shortfall Shares are issued under the Top-Up Facility and otherwise at the discretion of the Directors, the percentage interest in the total issued Shares of each Eligible Shareholder who does not take up their entitlement will be diluted and the percentage interest of the total issued Shares of each Eligible Shareholder who does take up their entitlement will remain the same, and the precise level of change in the percentage interests will depend on the take up of entitlements and the number of Shortfall Shares issued.

In any event, the Board will not issue any Shortfall Shares to any party that will result in the party having voting power in the Company of 20% or more. By reason of the above, the Offer should not have a material effect on the control of the Company and any change in the voting power of Shareholders is reliant upon the take up of entitlement by Shareholders and the subsequent placing of any Shortfall Shares.

The capital structure on completion of the Offer will be as follows:

Shares	
Shares currently on issue	223,395,589
Shares offered under the Offer (approximately)	27,924,449
Total Shares on issue on completion of the Offer*	251,320,038

*Assumes no Options are exercised prior to completion of the Offer

Options	
5.5c Options expiring 2 December 2017	2,750,000
2.8c Options expiring 31 October 2019	1,000,000
2.8c Options expiring 28 November 2019	5,000,000
Total Options on issue	8,750,000

2.10 Option Holders

Option holders will not be entitled to participate in the Offer unless they:

- (a) have become entitled to exercise their Options under the terms of their issue and do so prior to the Record Date; and
- (b) participate in the Offer as a result of being a holder of Shares registered on the share register on the Record Date.

Please refer to section 2.9 for further details on the Options on issue. If any of the Options are exercised before the Record Date, it may result in a proportionate increase in the number of New Shares being issued under the Offer.

2.11 Effect on the Company's financial position

The audited balance sheet as at 30 June 2017 and the pro-forma unaudited balance sheet as at 30 June 2017 are set out on the next page.

The pro-forma balance sheet takes into account the effect of:

- (a) the proposed return of capital to Shareholders and demerger of Delgare Pty Ltd (as provided for in the Company's Notice of Annual General Meeting dated 27 October 2017) on the basis that Shareholders approve the return of capital; and
- (b) the proceeds of the proposed capital raising of approximately \$977,356 (less costs) under the Offer.

It has been prepared on the basis of accounting policies normally adopted by the Company and reflects the changes to its financial position. It also assumes all entitlements under this Offer are accepted, no Options are exercised prior to the Record Date and includes expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted above. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

Audited balance sheet and pro-forma unaudited balance sheet as at 30 June 2017

	Audited at 30 June 2017	Pro-forma Post Return of capital (Delgare demerger)	Proceeds of the Offer after Costs	Pro-forma Unaudited 30 June 2017
	\$	\$	\$	\$
ASSETS				
Current Assets				
Cash and cash equivalents	1,227,791	1,127,791	967,356	2,095,147
Trade and other receivables - Current	125,867	125,867		125,867
Total Current Assets	1,353,658	1,253,658	967,356	2,221,014
Non-Current Assets				
Trade and other receivables - Non-current	44,630	44,630		44,630
Plant and equipment	2,780	2,780		2,780
Deferred exploration expenditure	2,374,791	2,374,791		2,374,791
Total Non-Current Assets	2,422,201	2,422,201	-	2,422,201
Total Assets	3,775,859	3,675,859	967,356	4,643,215
LIABILITIES				
Current Liabilities				
Trade and other payables	272,956	272,956		272,956
Provisions	61,152	61,152		61,152
Total Current Liabilities	334,108	334,108	-	334,108
Total Liabilities	334,108	334,108	-	334,108
Net Assets	3,441,751	3,341,751	967,356	4,309,107
EQUITY				
Issued capital	20,571,809	20,571,809	967,356	21,539,165
Reserves	1,620,756	1,620,756		1,620,756
Accumulated losses	(18,750,814)	(18,850,814)		(18,850,814)
Total Equity	3,441,751	3,341,751	967,356	4,309,107

2.12 Directors' interests in Company securities

The Directors and/or their nominees currently hold Shares and Options.

At the time of lodging this Rights Issue Offer Document with ASX, the Directors and their nominees have indicated that they will take up their full entitlement under the Offer.

The table below sets out the relevant interests of the Directors in the securities of the Company immediately prior to lodgement of this Rights Issue Offer Document with ASX together with New Shares proposed to be acquired under the Offer.

Interests include those securities held directly and indirectly.

Director	Paul Boyatzis	Bruce Maluish	Peter Pawlowitsch
No. Shares on Record Date	2,250,000	10,053,810	4,007,500
% Issued Shares on Record Date ¹	1.01%	4.50%	1.79%
No. Options on Record Date	1,500,000	3,000,000	1,500,000
Entitlement to New Shares	281,250	1,256,726	500,937
No. Shares post-Offer ²	2,531,250	11,310,536	4,508,437
% Issued Shares post-Offer	1.01%	4.50%	1.79%

Notes:

1. Assumes Directors do not exercise their Options.
2. Assumes that the Offer is fully subscribed and no Options are exercised before the Record Date.

2.13 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Shares under this Rights Issue Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for Shares under this Rights Issue Offer Document.

2.14 Overseas Shareholders

No Offer will be made to Shareholders resident outside Australia and New Zealand. The Company has decided that it is unreasonable to make the Offer to Shareholders outside Australia and New Zealand having regard to the small number of Shareholders with addresses in other jurisdictions, the small number and value of Shares they hold and the cost of complying with the legal requirements and the requirements of regulatory authorities in those jurisdictions.

This Rights Issue Offer Document and accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Rights Issue Offer Document. The distribution of this Rights Issue Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Rights Issue Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Notwithstanding the above, the Company may (in its absolute discretion) extend the Offer to certain shareholders who have registered addresses outside the Eligible Countries in accordance with applicable law.

2.15 CHESS and issuer sponsorship

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. All trading on ASX in Shares will be settled through CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Rules.

The Company's Registry operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. Both these sub-registers constitute the Company's principal register of Shareholders.

Holders of Shares will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored or other participant in CHESS, ASX Settlement will send you a CHESS statement. The CHESS statement will set out the number of Shares issued under this Rights Issue Offer Document, provide details of your holder identification number, and provide the participant identification number of the sponsor and the terms and conditions applicable to the Shares, including a notice to exercise the Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Company's Registry and will contain the number of Shares issued to you under this Rights Issue Offer Document and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

2.16 Enquiries

Enquiries concerning the Entitlement and Acceptance Form and general enquires in relation to the Company can be made to the company secretary at Level 1, 6 Thelma Street, West Perth WA 6005 or by telephone on (08) 9226 3780. Information may also be obtained by visiting the Company's website at www.ventnorresources.com.au.

The address for mailing Entitlement and Acceptance Forms is:

Ventnor Resources Limited
c/- Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001

3. Action Required

3.1 Acceptance of Shares under this Rights Issue Offer Document

Should you wish to accept all of your entitlement to subscribe for Shares, then applications for Shares under this Rights Issue Offer Document must be made on the Entitlement and Acceptance Form which accompanies this Rights Issue Offer Document or by completing a BPAY payment, in accordance with the instructions referred to in this Rights Issue Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

If you have applied to take up all of your entitlement, you may also apply for additional New Shares under the Top Up Facility.

If you wish to pay by cheque please complete the Entitlement and Acceptance Form which must be accompanied by a cheque in Australian dollars, crossed 'Not Negotiable' and made payable to 'Ventnor Resources Limited' and lodged at any time after the issue of this Rights Issue Offer Document and on or before the Closing Date at Company's share registry by post to the address in Section 0 above.

If you wish to pay via BPAY you must follow the instructions in the Entitlement and Acceptance Form. Eligible Shareholders who elect to pay via BPAY will not need to return their completed Entitlement and Acceptance Form. Please read the instructions carefully.

If you do not return the Entitlement and Acceptance Form, amounts received by the Company in excess of the issue price under the Offer (\$0.035 per Share) multiplied by your entitlement (**Excess Amount**) may be treated as an application to apply for as many additional New Shares under the Top Up Facility as your Excess Amount will pay for in full.

If you apply for additional New Shares under the Top Up Facility and your application is successful (in whole or in part) your New Shares will be issued at the same time that other New Shares are issued under the Offer. There is no guarantee you will receive any New Shares under the Top Up Facility. The Directors reserve their right to allot and issue New Shares under the Top Up Facility at their discretion.

Refund amounts, if any, will be paid by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders).

3.2 If you wish to take up only part of your entitlement

Should you wish to take up only part of your entitlement, then applications for Shares under this Rights Issue Offer Document must be made on the Entitlement and Acceptance Form which accompanies this Rights Issue Offer Document or by completing a BPAY payment in respect of the portion of your entitlement you wish to take up in accordance with the instructions referred to in this Rights Issue Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Any New Shares that relate to the portion of your entitlement that has not been accepted may be acquired under the Top Up Facility or otherwise issued as Shortfall Shares.

If you wish to pay by cheque please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of Shares you wish to accept and the amount payable (calculated at \$0.035 per Share accepted). Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed 'Not Negotiable' and made payable to 'Ventnor Resources Limited' and lodged at any time after the issue of this Rights Issue Offer Document and on or before the Closing Date at the Company's share registry by post at the address in Section 0 above.

If you wish to pay via BPAY you must follow the instructions in the Entitlement and Acceptance Form. Eligible Shareholders who elect to pay via BPAY will not need to return their completed Entitlement and Acceptance Form. Please read the instructions carefully.

3.3 If you do not wish to take up your entitlement

If you do not wish to accept any of your entitlement, you are not obliged to do anything.

In that case, any New Shares that you would have otherwise been entitled to under the Offer (or New Shares that relate to the portion of your entitlement that has not been accepted) may be acquired under the Top Up Facility or otherwise issued as Shortfall Shares.

The number of Shares you hold and the rights attaching to those Shares will not be affected should you choose not to accept any part of your entitlement, however your percentage holding in the capital of the Company will be diluted.

4. Risk Factors

This Section discusses some of the key risks associated with an investment in New Shares. A number of risks and uncertainties, which are both specific to the Company and of a more general nature, may adversely affect the operating and financial performance or position of the Company, which in turn may affect the value of the Shares and the value of an investment in the Company.

The risks and uncertainties described below are not an exhaustive list of the risks facing the Company or associated with an investment in the Company. Additional risks and uncertainties may also become important factors that adversely affect the Company's operating and financial performance or position.

Before investing in the New Shares, you should consider whether an investment in the Company is suitable for you. Potential investors should consider publicly available information on the Company (such as that available on the websites of the Company and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

4.1 Company Specific Risks

(a) Future Capital Needs and Additional Funding

The Company's growth through its proposed and future drilling and exploration campaigns will require substantial expenditure. There can be no guarantees that the Company's cash reserves together with the funds raised by the Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy.

If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer and existing working capital, there can be no assurance that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or if at all.

Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(b) Economic Risk

Changes in the general economic climate in which the Company will operate may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption and the rate of growth of gross domestic product in Australia and other jurisdictions in which the Company may acquire mineral assets.

(c) **Insurance Risks**

The Company intends to adequately insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with mineral exploration and production is not always available and, where available, the costs can be prohibitive.

(d) **No Profit To-Date**

The Company has incurred losses since its inception and it is therefore not possible to evaluate its prospects based on past performance. As the Company intends to continue investing in exploration and development program, the Directors anticipate making further losses in the foreseeable future.

While the Directors have confidence in the future revenue-earning potential of the Company, there can be no certainty that the Company will achieve or sustain profitability or achieve or sustain positive cash flow from its operating activities.

(e) **Key Personnel**

The ability of the Company to achieve its objectives depends on the retention of key external contractors who constitute its technical panel and provide technical expertise. If the Company cannot secure external technical expertise (for example to carry out drilling) or if the services of the present technical panel cease to become available to the Company, this may affect the Company's ability to achieve its objectives either fully or within the timeframes and the budget the Company has decided upon.

Whilst the ability of the Company to achieve its objectives may be affected by the matters mentioned above, the Directors believe that appropriately skilled and experienced professionals would be available to provide services to the Company at market levels of remuneration in the event key external contractors cease to be available.

(f) **Changes in Government Policies and Legislation**

Any material adverse changes in government policies or legislation of Australia or any other country that the Company may acquire economic interests may affect the viability and profitability of the Company.

(g) **Security investments**

Applicants should be aware that there are risks associated with any investment in securities. The prices at which the Shares trade may be above or below the issue price, and may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for mining and exploration companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that these trading prices and volumes will be sustained. These factors may materially affect the market price of the Securities, regardless of the Company's operational performance.

(h) **Share market conditions**

The market price of the Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

In addition, the market for the Company's Shares may be illiquid. As a consequence investors may be unable to readily exit or realise their investment.

(i) **Global credit and investment markets**

Global credit, commodity and investment markets can experience a high degree of uncertainty and volatility. The factors which lead to this situation are outside the control of the Company and may result in volatility and uncertainty in world stock markets (including ASX). This may impact the price at which the Company's Shares trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

4.2 General Mineral Industry Risks

(a) **Title risk**

Mining tenements are governed by the respective State legislation and each tenement is held for a specific term and carries with it annual expenditure and reporting commitments as well as other conditions requiring compliance. There is a risk that the Company could lose title to one or more of its tenements if tenement conditions or annual expenditure commitments are not met.

(b) **Resource and Reserve Estimates**

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that are valid when made may change significantly when new information becomes available through drilling, sampling and similar examinations.

In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted, resource estimates may have to be adjusted and

mining plans may have to be altered in a way which could adversely affect the Company's operations.

Reserve and resource estimates are expressions of judgment based on drilling results and other exploration observations, along with a competent person's experience working with relevant mining properties, and other factors. Estimates based on available data and interpretations and thus estimations may prove to be inaccurate or may change substantially when new information becomes available.

The actual quality and characteristics of mineral deposits cannot be known until mining takes place, and will almost always differ from the assumptions used to develop resources.

Reserves are value based financial and operational forecasts and consequently, the actual reserves and resources may differ from those estimated either positively or negatively.

(c) **Exploration and Development Risks**

Mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery.

There is no assurance that exploration of the mineral interests currently held by the Company, or any other projects that may be acquired in the future will result in the discovery of an economically viable mineral deposit. Even if an apparently viable mineral deposit is identified, there is no guarantee that it can be profitably exploited.

(d) **Operational Risks**

The operations of the Company may be affected by various factors including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of

coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(e) **Commodity Price Volatility and Foreign Exchange Risk**

In the event that the Company achieves exploration success leading to production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price risks.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for coal, forward selling by producers, and production cost levels in major metal-producing regions.

Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the commodity as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Furthermore, international prices of various commodities are denominated in United States Dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States Dollar and the Australian Dollar as determined in international markets.

(f) **Environmental Risks**

The operations and proposed activities of the Company are subject to regulations concerning the environment. The government and other authorities that administer and enforce environmental laws determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The potential for liability is an ever present risk. Future legislation and regulations governing coal production may impose significant environmental obligations on the Company in relation to coal mining.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or

other unforeseen circumstances, which could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

(g) Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- developing an economic process route to produce a metal and/or concentrate; and
- changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(h) Native title

The Native Title Act recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans.

Native Title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the Native Title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost its connection with the relevant land or waters. Native Title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.

Tenements granted before 1 January 1994 are valid or validated by the Native Title Act.

For tenements to be validly granted (or renewed) after 1 January 1994, the future act regime established by the Native Title Act must be complied with.

The existence of a Native Title claim is not an indication that Native Title in fact exists on the land covered by the claim, as this is a matter ultimately determined by the Federal Court.

The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining operations.

4.3 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Rights Issue Offer Document. Therefore, the Shares to be issued pursuant to this Rights Issue Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Rights Issue Offer Document.

5. Corporate Directory

Directors	Company Secretary
Mr Paul Boyatzis (Non-Executive Chairman) Mr Bruce Maluish (Managing Director) Mr Peter Pawlowitsch (Non-Executive Director)	Mr John Geary
Registered and Business Office	Share Registry*
Level 1, 6 Thelma Street West Perth WA 6005 Tel: +61 8 9226 3780 Fax: +61 8 9226 3764 Email: info@ventnorresources.com.au Website : www.ventnorresources.com.au	Computershare Investor Services Pty Limited Level 11, 172 St Georges Terrace Perth WA 6000

*This party is named for informational purposes only and was not involved in the preparation of this document

6. Glossary of Terms

\$ means Australian dollars.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

ASX Settlement means ASX Settlement Pty Ltd ACN 008 504 532.

Business Day has the same meaning as in the Listing Rules.

CHESS means ASX Clearing House Electronic Subregister System.

Closing Date means the date identified as such in the indicative timetable, or such other date as announced to ASX by the Company.

Company means Ventnor Resources Limited ACN 142 015 873.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Directors mean the directors of the Company as at the date of this Rights Issue Offer Document.

Eligible Shareholder means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand.

Entitlement and Acceptance Form means the personalised entitlement and acceptance form attached to this Rights Issue Offer Document.

GST means goods and services tax as defined in the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the Listing Rules of ASX.

New Share means a Share proposed to be issued pursuant to this Offer.

Offer is defined in Section 2.1.

Official Quotation means quotation of New Shares on the Official List of ASX.

Opening Date means the date identified as such in the indicative timetable, or such other date as announced to ASX by the Company.

Option means option to acquire a Share.

Record Date means 5:00pm (WST) on the date identified as such in the indicative timetable, or such other date as announced to ASX by the Company.

Registry means the Company's share registry, Computershare Investor Services Pty Ltd.

Rights Issue Offer Document means this document.

Section means a section of this Rights Issue Offer Document.

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall or **Shortfall Shares** means those New Shares for which valid Applications have not been received by the Closing Date.

Top-Up Facility is defined in Section 2.2

WST means Australian Western Standard Time.

This page left intentionally blank.

