Ventnor Resources Limited

ABN 59 142 014 873

ANNUAL REPORT

30 JUNE 2018

DIRECTORS

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

SECRETARY

John Geary

REGISTERED AND PRINCIPAL OFFICE

Level 1
6 Thelma Street
West Perth WA 6005

Telephone: (08) 9226 3780
Facsimile: (08) 9226 3764

Website: www.ventnorresources.com.au

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 11
172 St George's Terrace
Perth WA 6000

Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033

AUDITORS

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
Perth WA 6000

AUSTRALIAN SECURITIES EXCHANGE

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

LETTER FROM THE BOARD OF DIRECTORS TO SHAREHOLDERS

Dear Shareholders

The 2018 financial year has been exciting and eventful period for everyone at Ventnor Resources Ltd.

During the year the Company identified an increasing global demand for high quality silica sand. According to Zion Market Research the global construction glass market was valued at approx USD 91.7 Billion in 2017 and expected to reach approx USD 138.3 billion in 2023, growing at a CAGR of 7% between 2017 and 2023. Management recognising this significant opportunity took positive steps to apply for and acquire tenements highly prospective for Silica Sand.

An important criterion when consideration was given to the suitability of tenements was their location on Vacant Crown Land and a ready access to infrastructure such as railways and ports.

Ventnor's wholly owned Arrowsmith Silica Sand Project has access by rail to the Geraldton Port for shipping to overseas clients. Similarly, the Company's Muchea Silica Sand Project satisfies all these requirements and the final product, when production commences, will be easily transported to and shipped from the Kwinana Port Facility.

The market for silica sand in the Asia/Pacific region has been forecast to advance 6.1% per year to 138 million metric tons in the 2018 year.

Silica sand is a strong growth mineral due to the demand by the construction sector where it is used in the manufacture of flat glass for windows and the increased demand for the specialised plate glass required in double glazing which is increasingly being used to reduce energy demands in Asia.

Then there are the new markets for 'Tech Glass' as used in Photo Voltaic panels and Silicon-Metal composite material for high capacity Lithium-ion rechargeable batteries.

The technical staff at Ventnor have been extremely busy during the year and I am confident that great progress has been made in determining the quality and quantity of the silica sand at both locations.

I believe that Ventnor Resources is looking forward to an exciting period of development in the coming years.

On behalf of the Board, I would like to thank all staff and contractors for their valuable contribution during the year. I would also like to thank our shareholders for their support.

Bruce Maluish
Director
For and on behalf of the Board

REVIEW OF OPERATIONS

During the financial year ending 30 June 2018, Ventnor Resources Limited (Ventnor or the Company) conducted the following activities.

SUMMARY

Following an intensive examination of the potential Asian markets in silica sand the Company has decided to direct its activities into the silica sand sector.

Silica sand is used in glass manufacturing, concrete construction and as a tech metal. Ventnor has determined the potential in Western Australia for significant silica sand resources that could supply what is a dwindling sand supply in the Asia-Pacific region.

Recently, Asian regional governments have declared sand as a strategic resource due to the supply deficits. Social pressure has been mounting on the environmental damage caused by often illegal mining activities such as river dredging. The increase in coastal developments has also reduced access to resources.

This market has been investigated in previous years but it is the looming shortage of product which has caused increasing prices, making Australian prospects more competitive, despite the additional distance and shipping costs.

Investigations into the potential market were extensive and wide ranging, resulting in a comprehensive collation of market data. Demand for sand in current burgeoning infrastructure-construction programs utilising concrete in Asia - particularly China, India and Vietnam - has put pressure on suppliers and consequently, on prices. Contact has been established with the large importers of construction sand in Asia and samples forwarded for their test work.

Asian demand is increasing for energy-saving double glazing and for applications within the expanding automobile industry in China and India. Demand is also increasing for high purity silica sand in the production of Photo Voltaic panels and Silicon-Metal composite material for high capacity Lithium-ion rechargeable batteries.

With this change in the market dynamics the Company investigated prospective sites which had some prior exploration indicating suitable sand, along with an important logistics solution with proximity to either a port and/or connecting rail.

Certain areas along the under utilised Eneabba-Geraldton rail line were more closely examined and Exploration Licence applications were made for ground intersected by the rail line providing direct access to the ship-loading facilities at the Geraldton Port facilitating a unique logistics solution.

The Company applied for 379km^2 of ground at the Arrowsmith Silica Sand Project, situated 270kms north of Perth and following grant of exploration licences has commenced exploration.

Similarly, the Company identified the Muchea Silica Sand Project as having similar attributes which prompted the acquisition of exploration licence E70/4886, 50kms north of Perth and covers 58km^{2} of prospective high-grade silica sand.

During the year the Company has conducted preliminary exploration and metallurgical testwork over both of the projects with details to follow.

SILICA SAND

MARKET DYNAMICS

1. Globally, silica sand is a strong growth mineral due to the demand by the construction sector, wherein its use in the manufacture of flat glass for windows is constant. Greater growth is being felt in the Asian market, particularly China where there is a massive glass manufacturing expansion.
2. There is increased demand for specialised plate glass required in double glazing created by Asian/Pacific governments in efforts to reduce energy demands.
3. Developing Asian markets have increasing demand for glass in their developing automobile industry.
4. New markets address increasing demand for silica sand as a “tech metal” for use in production of Photo Voltaic panels and Silicon-Metal composite material for high capacity Lithium-ion rechargeable batteries.
5. Rationalisation of major producers of silica sand has resulted in a relatively small number of sand-producing corporations.
6. The market for silica sand in the Asia/Pacific region is forecast to advance 6.1% per year to 138 million metric tons in 2018.
7. Silica sand demand by region is shown in table below:

Region	**% of Global demand**
Asia-Pacific	47%
North America	20%
Western Europe	16%
Eastern Europe	8%
Africa/Middle East	5%
Central and South America	4%

SILICA SAND USES

Introduction

Quartz is the most common silica crystal and the second most common mineral on the earth's surface. It is found in almost every type of rock: igneous, metamorphic, and sedimentary. While quartz deposits are abundant, and quartz is present in some form in nearly all mining operations, high purity and commercially viable deposits occur less frequently. Silica sand deposits are most commonly surface-mined in open pit operations, but dredging and underground mining methods are also employed.

Silica sand has supported human progress throughout history, being a key raw material in the industrial development of the world, especially in the glass, metal casting, and ceramics industries. Silica contributes to today's information technology revolution, being used in computer components, providing raw materials for silicon chips and as quartz for PV panels.

Glassmaking

Silica sand is the primary component of all types of standard and specialty glass. It provides the essential SiO_2 component of glass formulation; its chemical purity is the primary determinant of colour, clarity and strength in glass. Industrial sand is used to produce flat glass for building and automotive use, container glass for foods and beverages, and tableware.

Metal Casting

Industrial sand is an essential part of both the ferrous and non-ferrous foundry industries. Metal parts ranging from engine blocks to sink faucets are cast in a sand-and-clay mould to produce their external shape, using a resin-bonded core to create the desired internal shape. Silica's high fusion point (1,760°C) and low rate of thermal expansion produce stable cores and moulds compatible with all pouring temperatures.

Metallurgical Uses

In metal production, silica sand operates as a flux to lower the melting point and viscosity of slag to make it more reactive and efficient. Lump silica is used either alone or in conjunction with lime to achieve the desired base/acid ratio required for final purification of metals.

Chemical Production

Silicon-based chemicals are found in thousands of everyday applications ranging from food processing to soap and dye production. These chemicals are used in products such as household and industrial cleaners, in the manufacture of fibre optics, and to remove impurities from cooking oil and brewed beverages.

Paint and Coatings

Paint formulators select micron-sized industrial sands to improve the appearance and durability of architectural and industrial paints and coatings. High purity silica produces critical performance properties such as brightness reflectance and colour consistency.

Ceramics

Ground silica is an essential component of the glaze and body formulations of all types of ceramic products, including tableware, sanitary ware and floor and wall tile. In the ceramic body, silica is the skeletal structure onto which clays and flux components attach. Silica products are also used as the primary aggregate to provide high-temperature resistance to acidic attack in industrial furnaces.

Filtration and Water Production

Industrial sand is used to filter water to become drinkable. Uniform grain shapes and grain size distributions produce efficient filtration bed operations for the removal of contaminants from wastewater to provide potable water. As silica is chemically inert, it will not degrade or react when it comes in contact with acids, contaminants, volatile organics, or solvents.

Oil and Gas Recovery

Known commonly as proppant, or "frac sand," industrial sand is pumped down holes in deep well applications to prop open rock fissures to increase the flow rate of natural gas or oil. In this specialised application, round whole-grain sand is used to maximise permeability and to prevent formation cuttings from entering the well bore.

Construction Sand

Construction sand is the primary structural component in a wide variety of building and construction products. Whole-grain silica is used in flooring compounds, mortars, specialty cements, stucco, roofing shingles, skid-resistant surfaces, and asphalt mixtures to provide packing density and flexural strength without adversely affecting the chemical properties of the binding system. Ground silica performs as a functional extender to add durability, anti-corrosion and weathering properties in epoxy-based compounds, sealants and caulks.

ASIAN MARKETS

SINGAPORE
Singapore building construction uses one million tonnes of concrete a month, which includes 300,000 tonnes of construction sand. Current sources are Malaysia, Cambodia, Myanmar and occasionally Philippines. Other regional sources have placed restrictions on or have totally banned exports of their local sand. Sources are generally dredged from rivers with consequential unacceptable environmental impacts. The Singapore Building and Construction Authority (BCA) has placed a requirement that 5% of construction sand be imported from “non-traditional” sources which includes Australia. Singapore is concerned that current sources may become unreliable or intermittent and is actively encouraging a greater spread of sources. Importers are concerned that the BCA will raise that requirement to 10% from non-traditional sources, as originally intended. If Singapore continues at its current rate of growth, this could be a significant market for Australian suppliers.

INDIA
The building expansion program underway has put incredible pressure on sand suppliers for concrete, so much so that illegal dredging of rivers has resulted in recent public scrutiny of the environmental long-term impacts. This is also potentially a significant market for construction sand.

VIETNAM
Vietnam has gone from an exporter of industrial sand, to an importer, with increased use in concrete with a significant building boom underway.

ARROWSMITH SILICA SAND PROJECT

In October 2017, Ventnor announced a new silica sand project at Arrowsmith, which is situated 270km north of Perth, WA.

Arrowsmith Silica Sand Project Details

During the year Ventnor Resources applied for four exploration licenses north of Eneabba, Western Australia, to explore for construction sand and high-quality silica sand. These tenements are known collectively as the Arrowsmith Project

The combined EL applications in the Arrowsmith project area predominantly cover Vacant Crown Land with little freehold land, and are extensively covered by cleared tracks from historic oil exploration seismic surveys and exploration for heavy mineral sand, with the latter indicating potential for significant sand resources. The area is easily accessed by the adjacent Brand Highway.

Preliminary reconnaissance work on the Arrowsmith Project indicates substantial potential for sand resources suitable for both glass making and construction which could address the requirements of the Asia-Pacific region.

The area potentially has low environmental impact mining propositions and the rehabilitation techniques are well established in the industry.

Preliminary assays and testwork indicate that processing to upgrade the silica to glass-making quality will have a low capital intensity, low technical risk and requiring no chemicals.

ELA70/5109 was applied for on 2 January 2018 as this tenement is congruent with existing tenement applications in the Arrowsmith project area and will enhance the project's access to the existing Eneabba-Geraldton rail to the Geraldton port.

Two tenements, E70/4986 and E70/4987 were granted on 6 April 2018 and on 6 June 2018 tenement E70/5027 was granted. A further application, ELA70/5109 is expected to be granted in the September 2018 quarter. POW applications for exploration were immediately lodged upon advice of the tenement grants.

Tenements in the project area are summarised below;

Tenement	Holders	Grant Date	Expiry Date	Area (km^2)
EL70/4986	Ventnor Mining Pty Ltd	06/04/2018	05/04/2023	80.5
EL70/4987	Ventnor Mining Pty Ltd	06/04/2018	05/04/2023	86.5
EL70/5027	Ventnor Mining Pty Ltd	14/06/2018	13/06/2023	167.3
ELA70/5109	Ventnor Mining Pty Ltd	14/08/2018	13/08/2023	35.9
ELA70/5197	Ventnor Mining Pty Ltd	03/08/2018*		8.5
		*Application Date	Total	379km^2

Table 1 – Arrowsmith Tenement Details

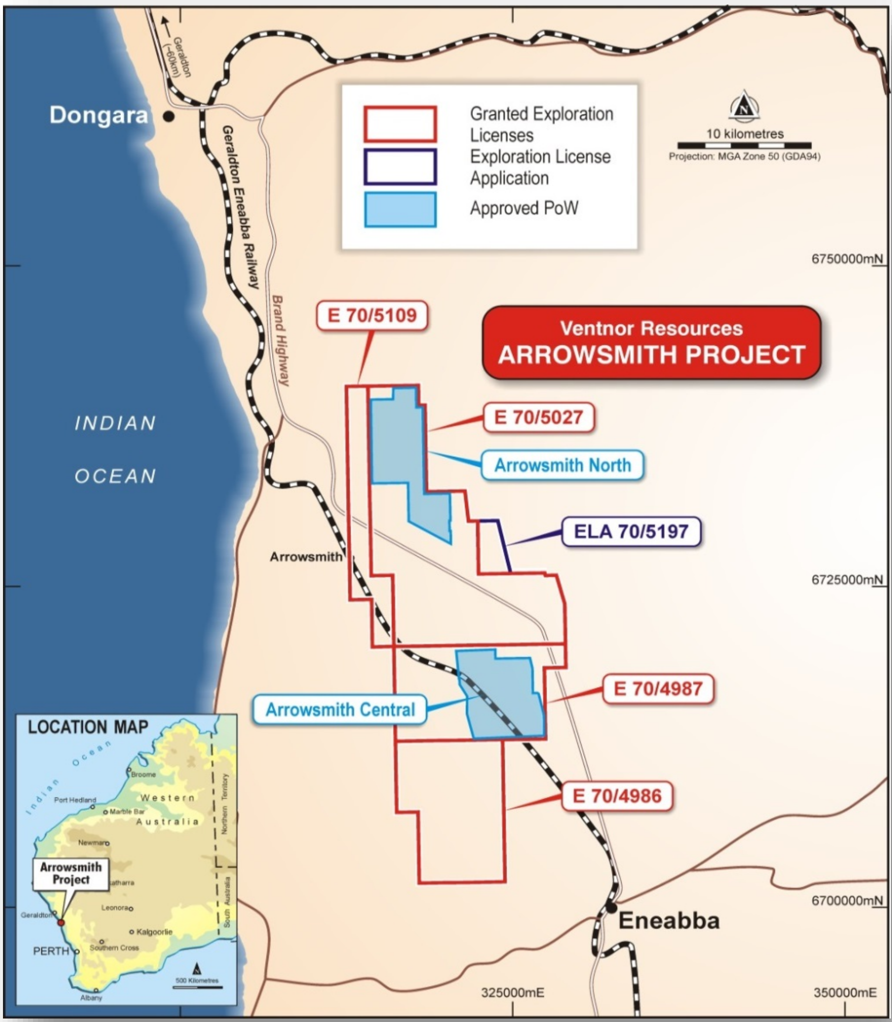


Figure 1 - Arrowsmith Project Location

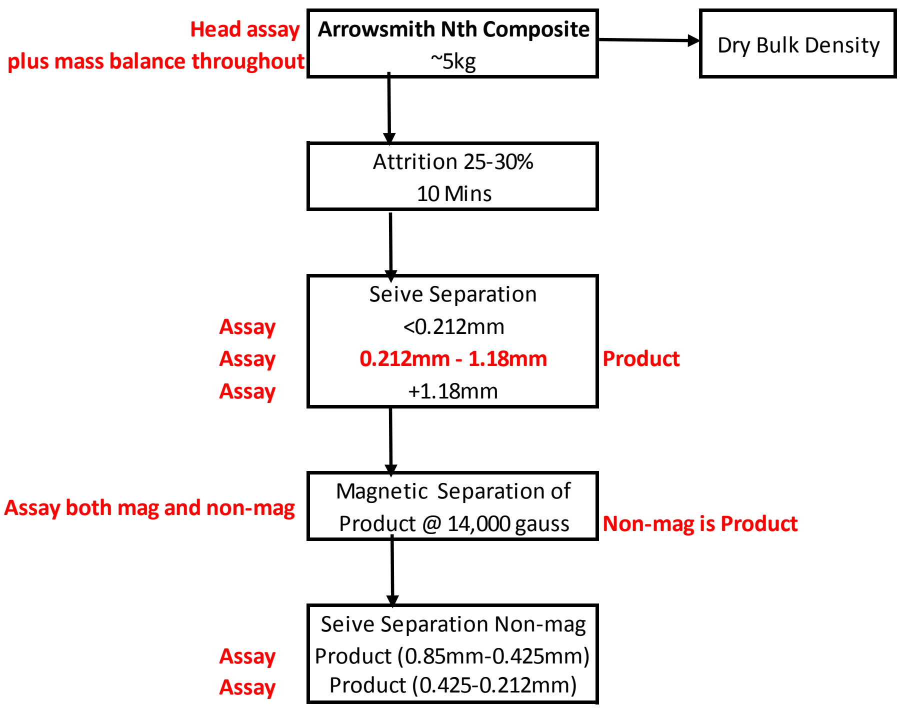
On 30 January 2018 Ventnor announced some of the results on the Arrowsmith samples collected during December 2017 when the Company conducted a mapping and shallow hand auger program to collect composite representative samples from the Arrowsmith North prospect. Samples were submitted to Nagrom Laboratories for an initial testwork program, which would emulate conventional sand processing techniques.

This testwork confirms that processing to upgrade the sand to glass-making quality will have a low-capital intensity, low technical risk and requires no processing chemicals. Further testwork programs will be undertaken to investigate processing options to higher quality and higher value products.

Preliminary testwork results were announced which indicated the bulk sand could be upgraded using simple sizing techniques, with further testwork to be carried out to determine if the sand could be further upgraded. In addition to this, samples were to be prepared and sent for proppant testing to API RP-19C standards.

A 5kg composite from Arrowsmith North was tested at the Nagrom Laboratory in Kelmscott, in Perth, using the following flowchart:

Nagrom Silica Sand Testwork



On the page following is a table detailing the testwork results. The feed stock in the test had a head assay of 97.7% SiO_2 +LOI_{1000C}, after attritioning, magnetic separation and sizing, the 0.425mm - 0.85mm product achieved a grade of 99.5% SiO_2 +LOI_{1000C}. The remainder of the product, 0.212mm - 0.425mm, returned an assay of 99.3% SiO_2 +LOI_{1000C}. It is believed that additional testwork will improve both of these product grades.

Of significance is the mass balance achieved during testing, as this is an indication of the potential recovery from the in-situ resources. From the feed stock, 93.6% is recovered in the initial 0.12mm – 1.18mm sizing and passed on for attritioning and magnetic separation. With negligible mass loss in the magnetic separation and final sizing step, the potential product recovery is +93%. The higher grade 0.425mm - 0.85mm sizing constitutes 70% of the final product with the finer 0.212mm - 0.425mm, sizing making up the balance.

Attritioning Testwork

SAMPLE	Mass	Mass	Al_2O_3	CaO	Cr_2O_3	Fe_2O_3	K_2O	Li_2O	MgO	MnO	Na_2O	TiO_2	V_2O_5	LOI_{1000}	SiO2 (calc.)	SiO2 (calc.) +LOI1000C
	kg	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	%	%
Arrowsmith North																
Assay Head[illegible]	5.108	100%	11,470	110	15	4,180	1,300	52	100	25	100	1,670	-	0.57	97.1	97.7
Arrowsmith North Attrition																
Calc. Head	5.108		9,113	41	-	3,119	782	12	149	10	122	1,097	-	0.43	98.1	98.6
Size (mm)																
+1.18mm	0.001	0.02%	40,740	295	65	40,405	1,000	41	285	20	-	1,320	70	4.27	82.3	86.5
-1.18+0.212mm	4.782	93.6%	4,024	-	-	1,200	293	9	100	4	83	553	4	0.21	99.2	99.4
-0.212mm	0.325	6.4%	83,808	648	85	31,200	7,970	57	866	105	691	9,088	91	3.72	82.3	86.5

Feed Stock @ 97.7% SiO_2
Attritioned at 30% solids for 10mins then sized

93.6% of mass reports to 0.22 – 1.18mm size @ 99.4% SiO_2

Magnetic Characterisation

SAMPLE	Mass	Mass	Al_2O_3	CaO	Cr_2O_3	Fe_2O_3	K_2O	Li_2O	MgO	MnO	Na_2O	TiO_2	V_2O_5	LOI_{1000}	SiO2 (calc.)	SiO2 (calc.) +LOI1000C
	kg	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	%	%
Arrowsmith North -1.18+0.212mm Attrition																
Assay Head			4,024	-	-	1,200	293	9	100	4	83	553	4	0	99.2	99.4
Arrowsmith North -1.18+0.212mm Attrition Magnetic Characterisation																
Calc. Head	4.576		3,845	1	-	1,251	252	9	84	-	-	532	-	0.22	99.2	99.4
Magnetics																
14000G Magnetic	0.006	0.12%	30,360	655	105	42,420	2,100	39	2,770	1,110	800	61,530	200	0.79	79.9	80.7
Non-Magnetic	4.570	99.9%	3,812	-	-	1,200	250	9	81	3	68	456	4	0.22	99.2	99.4

Magnetic Separation @ 14,000 gauss

Non magnetics sent for product re-sizing

Size By Analysis

SAMPLE	Mass	Mass	Al_2O_3	CaO	Cr_2O_3	Fe_2O_3	K_2O	Li_2O	MgO	MnO	Na_2O	TiO_2	V_2O_5	LOI_{1000}	SiO2 (calc.)	SiO2 (calc.) +LOI1000C
	kg	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	%	%
Arrowsmith North -1.18+0.212mm Attritioning Non Mag																
Assay Head			3,812	-	-	1,200	250	9	81	3	68	456	4	0.22	99.2	99.4
Arrowsmith North -1.18+0.212mm Attritioning Non Mag Size by Analysis																
Calc. Head	4.267		3,842	0	-	1,154	280	9	86	3	-	460	-	0.18	99.2	99.4
Size (mm)																
+0.85mm	0.024	0.49%	2,960	70	-	1,255	200	17	45	5	-	300	-	0.16	99.2	99.3
-0.85+0.425mm	2.938	61.4%	3,473	-	-	1,000	162	9	86	2	68	432	3	0.18	99.3	99.5
-0.425+0.212mm	1.305	27.3%	4,688	-	-	1,500	548	9	88	4	77	526	4	0.19	99.1	99.3

93% of feed mass reports to the final product.
70% is above **99.5% SiO_2**
The balance at 99.3% SiO_2

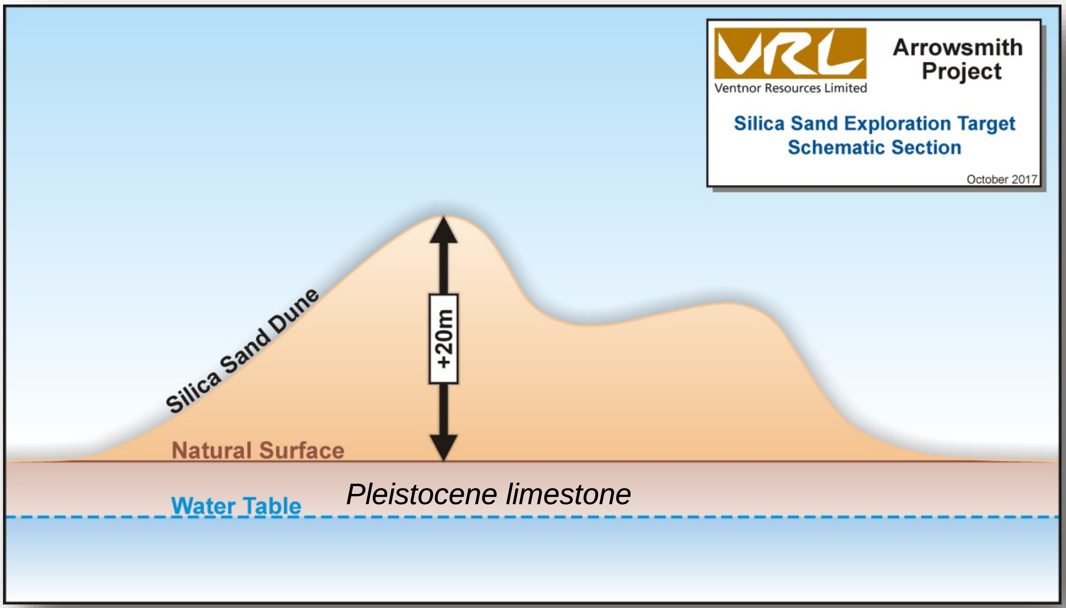
In addition to the testwork completed by Nagrom, Scanning Electron Microscopy (SEM) and Qualitative X-ray Diffraction (XRD) work has been completed by Microanalysis in East Perth to better understand the mineral forms of the deleterious elements. An understanding of the minerals that are present in the bulk sand mass will aid in further upgrading of the final product.

This work has resulted in the following findings:

- The Loss on Ignition (LOI_{1000C}) is largely because the presence of salts such as Halite and Sylvite;
- The Fe and Ti minerals are present as Iron oxides, Ilmenite and Rutile;
- Aluminium, a major contaminant, is present as $Al(OH)_3$, being a form of bauxite such as Gibbsite; and
- Mineral grains are largely liberated, with 60-78% for the Fe and Ti minerals, and 99.8% for the Gibbsite.

The targeted silica sand deposits are the aeolian sand dunes that overlie the Pleistocene limestones and paleo-coastline which host the Eneabba heavy mineral deposits.

The image below is a schematic section showing the silica sand dune that is targeted for exploration. The targeted dune is the area above the surrounding natural surface and well above the standing water table.

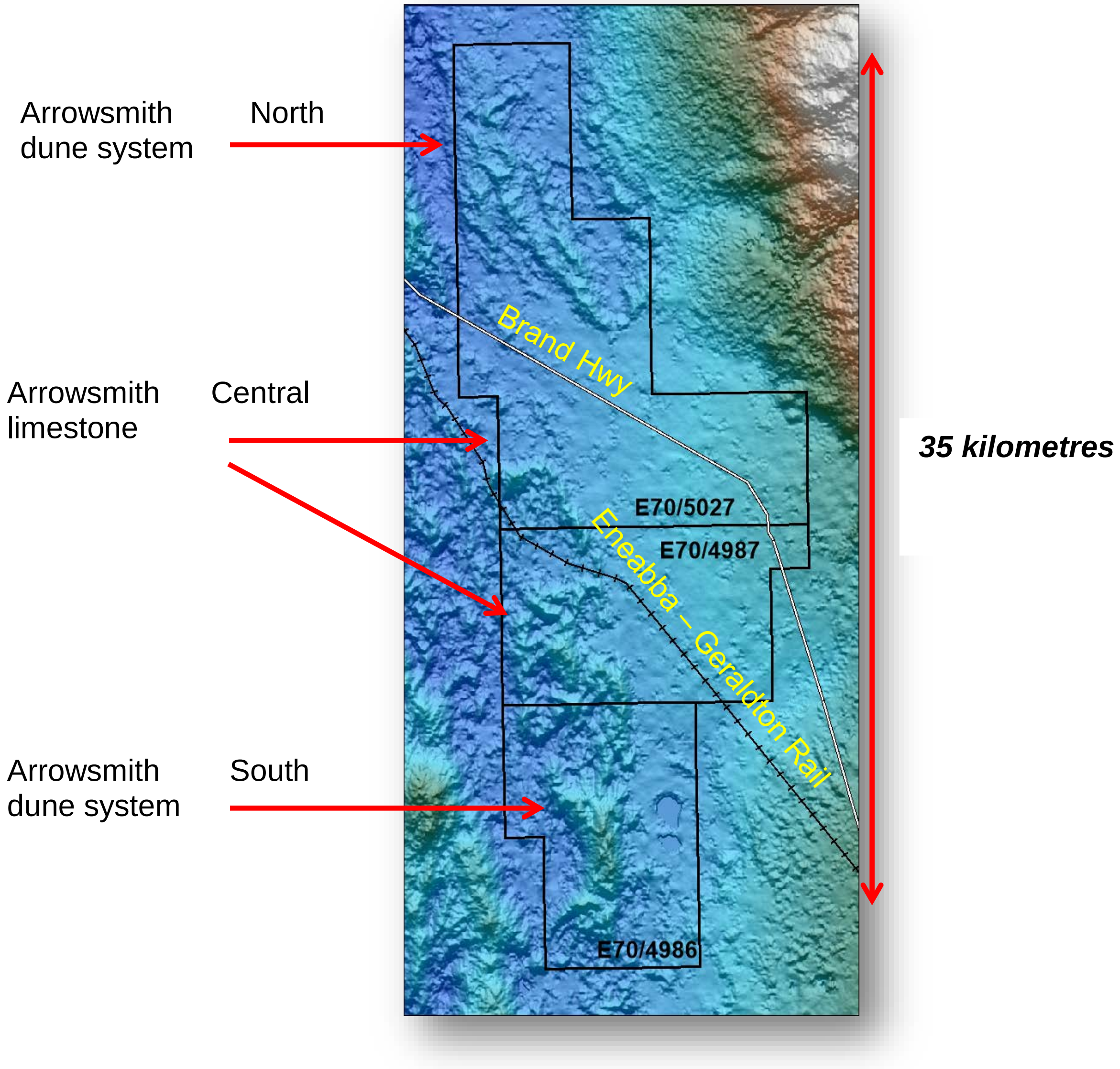


Schematic section of Silica Sand Dune Exploration Target

The Exploration Targets for the Arrowsmith Project are:
Arrowsmith North – 100 Million to 140 Million tonnes high-quality silica sand;
Arrowsmith South – 40 Million to 80 Million tonnes high-quality silica sand.

The potential quality and grade of these Exploration Targets are conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource; it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The image below is a topographic map of the area generated by Shuttle Radar Topography Mission data (**SRTM**). This map was used to identify potential dune structures as topographic highs, which have been followed by ground field investigation and sampling using a hand-held auger.



Arrowsmith Project SRTM topography

Three areas were investigated: Arrowsmith North for construction sand which may also be upgraded to glass quality; Arrowsmith Central, which is prospective for silica sand and also limestone; and Arrowsmith South, prospective for high quality silica sand.

Initial samples were taken by hand auger and selected from below the humus layer, typically the first 30cm. Samples were sent to Intertek Laboratory in Perth for silica sand analysis via a Four-Acid digest and ICP finish. The table below shows the major constituents of the sand, with full analytical results available in the Appendix.

MGA_East Zone50	MGA_North Zone50	Location	SiO2 %	Al2O3 ppm	Fe2O3 %	K2O ppm	TiO2 ppm	LOI-1000C %
317330	6729258	Arrowsmith North	**98.40**	6,979	0.19	1,885	1,621	0.33
317160	6730256	Arrowsmith North	**97.80**	10,547	0.36	993	1,155	0.53
316989	6731249	Arrowsmith North	**98.00**	9,448	0.30	800	1,243	0.48
316818	6732242	Arrowsmith North	**96.80**	15,988	0.55	1,629	1,636	0.69
316642	6733263	Arrowsmith North	**97.30**	12,801	0.48	983	1,397	0.63
316319	6735123	Arrowsmith North	**97.90**	9,826	0.36	881	1,513	0.52
316115	6736295	Arrowsmith North	**98.40**	7,389	0.26	588	1,102	0.40
316109	6737182	Arrowsmith North	**98.20**	8,611	0.29	891	1,320	0.40
316584	6737185	Arrowsmith North	**96.10**	7,538	0.19	3,997	1,264	1.13
316974	6737193	Arrowsmith North	**99.10**	3,733	0.10	891	874	0.23
317964	6737207	Arrowsmith North	**99.00**	3,684	0.14	411	1,277	0.31
321170	6731628	Arrowsmith North	**99.30**	2,653	0.12	213	1,044	0.21
319751	6731161	Arrowsmith North	**98.50**	6,527	0.24	269	1,092	0.40
318790	6721353	Arrowsmith Central	**95.00**	25,477	0.58	5,847	1,737	0.98
318383	6721357	Arrowsmith Central	**94.90**	25,529	0.59	6,663	2,376	0.92
317956	6722076	Arrowsmith Central	**95.70**	21,472	0.44	7,531	2,079	0.66
316750	6722030	Arrowsmith Central	**95.50**	21,314	0.42	7,649	1,988	0.83
315686	6725167	Arrowsmith Central	**97.30**	13,323	0.26	2,121	1,360	0.63
323890	6718805	Arrowsmith Central	**99.30**	2,898	0.09	677	1,246	0.15
322516	6718792	Arrowsmith Central	**98.30**	7,907	0.17	2,326	1,268	0.28
321399	6712070	Arrowsmith South	**94.90**	26,338	0.55	7,923	1,880	0.83
321141	6711127	Arrowsmith South	**96.10**	18,871	0.43	5,220	1,688	0.82
321295	6710201	Arrowsmith South	**97.70**	10,848	0.12	5,318	1,611	0.30
321715	6707710	Arrowsmith South	**98.30**	8,371	0.08	4,554	1,562	0.18
322815	6705357	Arrowsmith South	**97.40**	11,735	0.34	2,464	2,693	0.52
323118	6704616	Arrowsmith South	**97.10**	13,528	0.40	2,521	3,146	0.49
323047	6702748	Arrowsmith South	**96.60**	17,069	0.31	2,934	3,257	0.69
318284	6705732	Arrowsmith South	**93.30**	35,969	0.61	10,230	2,329	1.04
319519	6705047	Arrowsmith South	**95.90**	20,165	0.40	7,256	1,784	0.61
318284	6705732	Arrowsmith South	**97.60**	11,079	0.16	6,018	2,241	0.21
319519	6705047	Arrowsmith South	**98.30**	6,955	0.14	2,338	2,313	0.39

High grade silica sand is sand which has purity greater than 99.5% SiO_2.. It typically will require processing to remove the various deleterious minerals to achieve the highest possible silica grade. Auger samples were composited into two samples representing “Cream” and “Yellow” sand and supplied to Nagrom Laboratory in Perth to determine the Size by Analysis.

This technique analyses the elemental chemistry of a suite of particle sizes to determine where the deleterious minerals report to; below is a summary of the results. The results indicate that +90% of the dune sand is sized between +0.212mm and -1mm, preferentially retains the silica sand grains while eliminating many of the impurities.

Preliminary indications are encouraging in that the dune sand located on the Arrowsmith tenements can be upgraded by conventional techniques, to provide a high-grade purity of 99.5% SiO_2 with only nominal amounts of benign deleterious minerals.

SAMPLE	Mass	SiO_2	LOI_{1000}	Fe_2O_3	Al_2O_3	TiO_2	CeO_2
	%	%	%	%	%	%	ppm
Size by Analysis							
Arrowsmith North Cream Sand							
Assay Head		98.757	0.22	0.145	0.334	0.104	3.0
Arrowsmith North Cream Sand Size by Analysis							
Size (mm)							
+1	0.16%	96.054	0.57	2.761	0.335	0.043	<1
+0.5	41.86%	99.319	0.06	0.348	0.181	0.041	<1
+0.355	24.88%	98.918	0.01	0.625	0.220	0.048	<1
+0.212	26.20%	99.047	0.06	0.486	0.272	0.060	<1
+0.106	5.36%	96.879	0.02	1.717	0.566	0.527	3
+0.075	0.43%	91.143	0.16	3.829	1.481	2.057	65
+0.045	0.45%	90.356	0.31	4.127	2.102	1.225	58
+0.038	0.10%	89.604	0.68	4.198	2.557	1.015	50
-0.038	0.55%	81.893	5.03	3.484	5.676	1.303	68
+0.212 - 1mm	**92.94%**	**99.135**	**0.05**	**0.461**	**0.217**	**0.048**	**<1**
Arrowsmith North Yellow Sand							
Assay Head		97.780	0.44	0.328	0.870	0.134	8.0
Arrowsmith North Yellow Sand Size by Analysis							
Size (mm)							
+1	0.67%	96.971	0.09	2.459	0.479	0.063	4
+0.5	60.51%	98.995	0.11	0.425	0.369	0.050	2
+0.355	20.62%	98.709	0.10	0.519	0.404	0.064	2
+0.212	10.98%	98.378	0.09	0.758	0.526	0.087	2
+0.106	3.57%	95.624	0.19	1.511	1.225	0.774	12
+0.075	0.78%	88.111	0.10	4.241	3.257	1.957	96
+0.045	0.34%	89.209	0.57	3.408	3.031	1.341	103
+0.038	0.29%	89.694	0.60	3.088	3.303	1.014	67
-0.038	2.23%	58.879	9.97	7.225	20.339	1.575	197
+0.212 - 1mm	**92.11%**	**98.857**	**0.11**	**0.486**	**0.396**	**0.058**	**2**

Size by Analysis for composited auger samples

Future Testwork

Bulk samples have been collected and further metallurgical testwork is underway and will determine the most suitable processing circuit. It is anticipated the bulk sample product will be used for marketing purposes to secure offtake and pricing agreements.

The next phase of planned testwork focused on the removal of the dense Fe/Ti minerals, >4g/cc, and the lighter Gibbsite, <2.4g/cc, in comparison with the quartz sand grains, 2.62g/cc. Initial testing using Heavy Liquid Separation (HLS) will be followed with a bulk sample, ~200kg, to be tested over a wet table to determine if conventional gravity separation equipment such as spirals will assist with the final product upgrade. Testwork to date shows that ~5,000ppm, or 0.5% of the current product, is reporting to these minerals. Successful gravity separation could upgrade the final product to >99.8% SiO_2 +$LOI_{\mathbf{1000C}}$.

Ventnor management believes that the Arrowsmith Project has the potential for significant silica sand resources to supply increasing markets in the Asia-Pacific region for both glass making and construction and increasingly the Tech metal market.

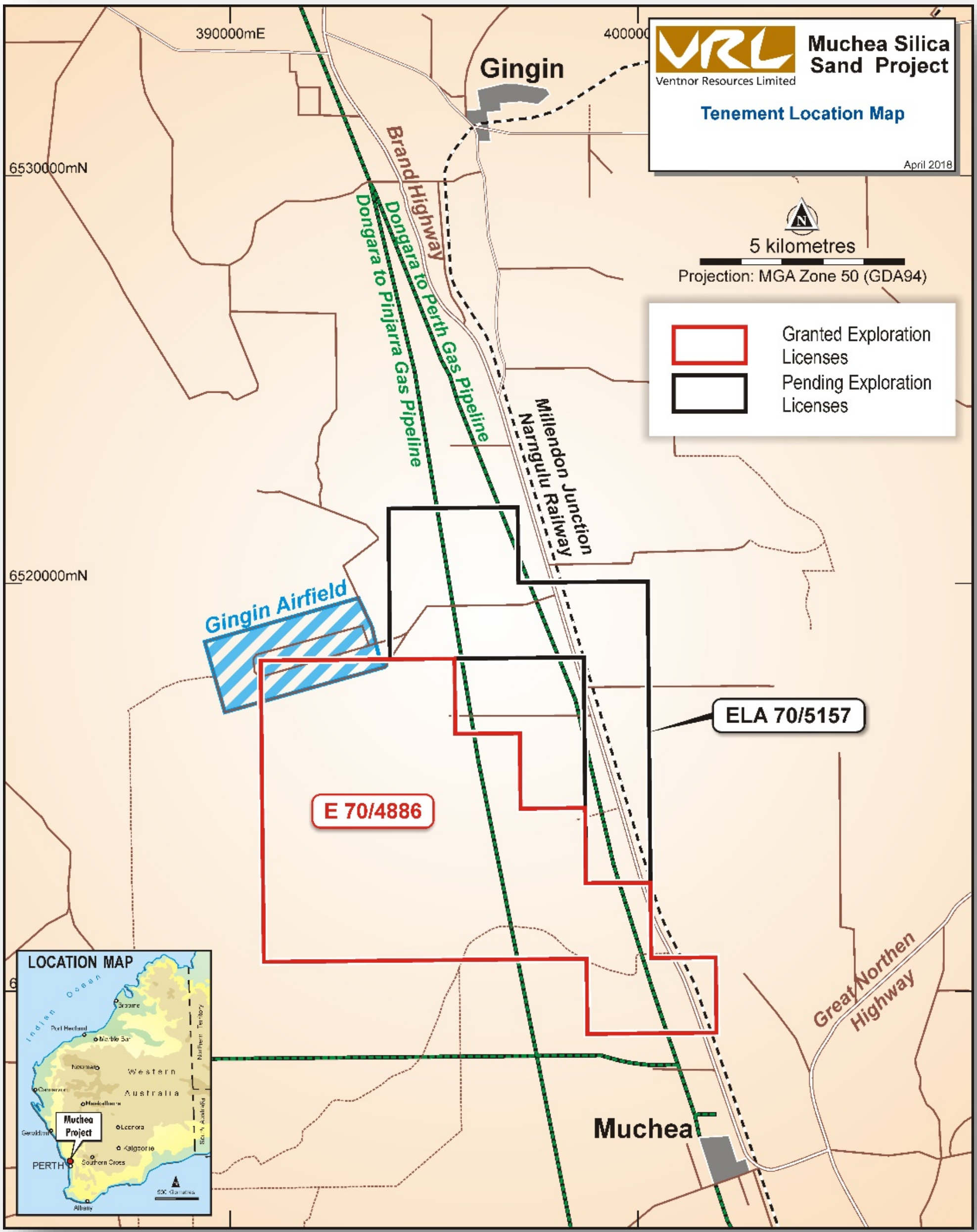
MUCHEA SILICA SAND PROJECT

During the year, Ventnor acquired an option to purchase a potentially high-grade, high tonnage silica sand project near Muchea, north of Perth, Western Australia (**Muchea Silica Sand Project**), subject to shareholder and regulatory approvals (**Muchea Option**).

The Muchea Silica Sand Project is strategically located adjacent to Brand Highway and a rail connection to Kwinana port for bulk handling. It comprises exploration licence E70/4886 (**Tenement**), located in the Muchea area, 50km north of Perth, Western Australia (Figure 1), and is highly prospective for high-quality silica sand. It spans an area of 58km^2.

Ventnor's due diligence investigations for the acquisition confirmed the potential of the prospect. Assays received have indicated a high-quality +99.7% SiO_2 deposit over an area of more than 3,400Ha.

The Company engaged *Stratum Resources, a Sydney-based consultancy specialising in minerals management service and mineral economics in Asia and Australasia. Stratum has estimated* that the market for silica sand in the Asia/Pacific region is forecast to grow to 138 million tonnes per annum by the end of 2018, an increase of approximately 6% on 2017 demand.



Muchea Silica Sand Project Location

Initial due diligence investigations into the Muchea Silica Sand Project prior to grant of the Muchea Option in the form of an aircore (**AC**) and hand auger drilling program within the tenement area confirmed the potential of the project as indicated by previous work undertaken by the tenement holders.

Ventnor's drilling included an AC drilling program of 46 holes for 522 metres and 43 hand auger holes for 249 metres with an average intercept grade of 99.5% SiO_2.

A full analysis of all the quality control data has now been assessed. This analysis validates the drill assay dataset and conforms to the guidelines for reporting under the JORC-2012 code.

The results of the preliminary due diligence drilling program confirmed the results provided by Australian Silica. The project has the potential for a very large high-grade silica sand resource which supported and justified the Company's decision to secure an option to acquire the underlying tenement.

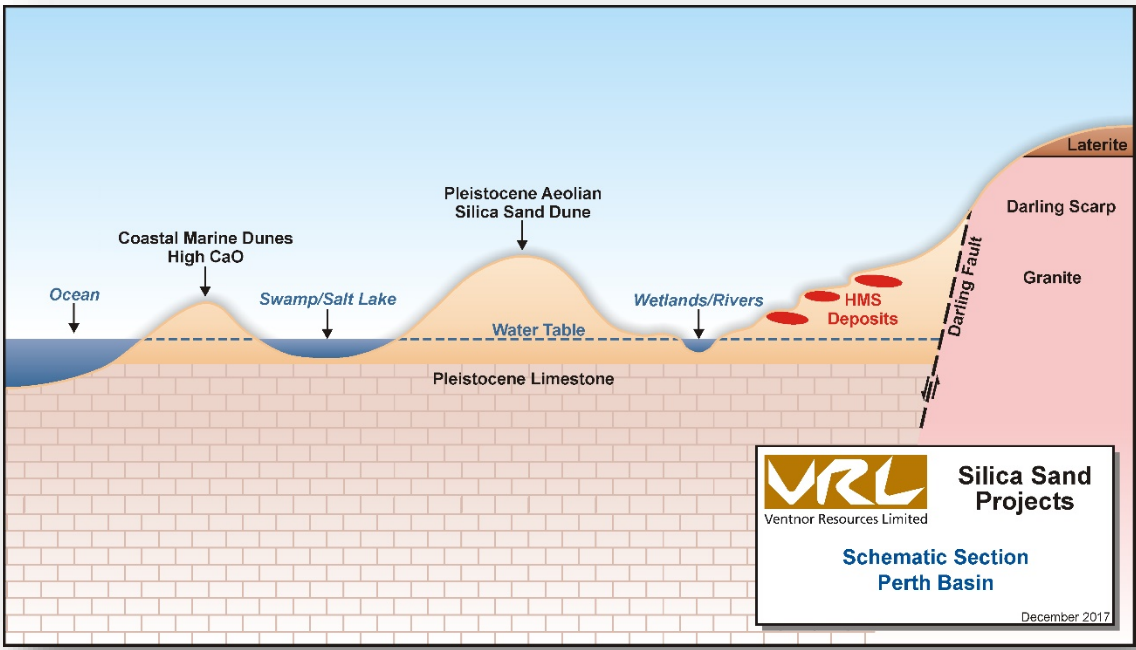
As part of the due diligence investigations Ventnor commenced a comprehensive testwork program to ascertain what products could be produced and marketed from the project and later to support a JORC-2012 compliant Mineral Resource.

Ventnor has already received a number of enquiries from potential Asian customers and as part of its due diligence the Company undertook an environmental desktop study which will also support a referral to the relevant environmental authorities prior to field studies for a Mining Proposal.

Detailed Information

The targeted silica sand deposits are the aeolian sand dunes that overlie the Pleistocene limestones and paleo-coastline, which host the Gingin heavy mineral deposits.

Below is a schematic section showing the silica sand dune targeted for exploration. The targeted dune is the area above the surrounding natural surface well above the standing water table.

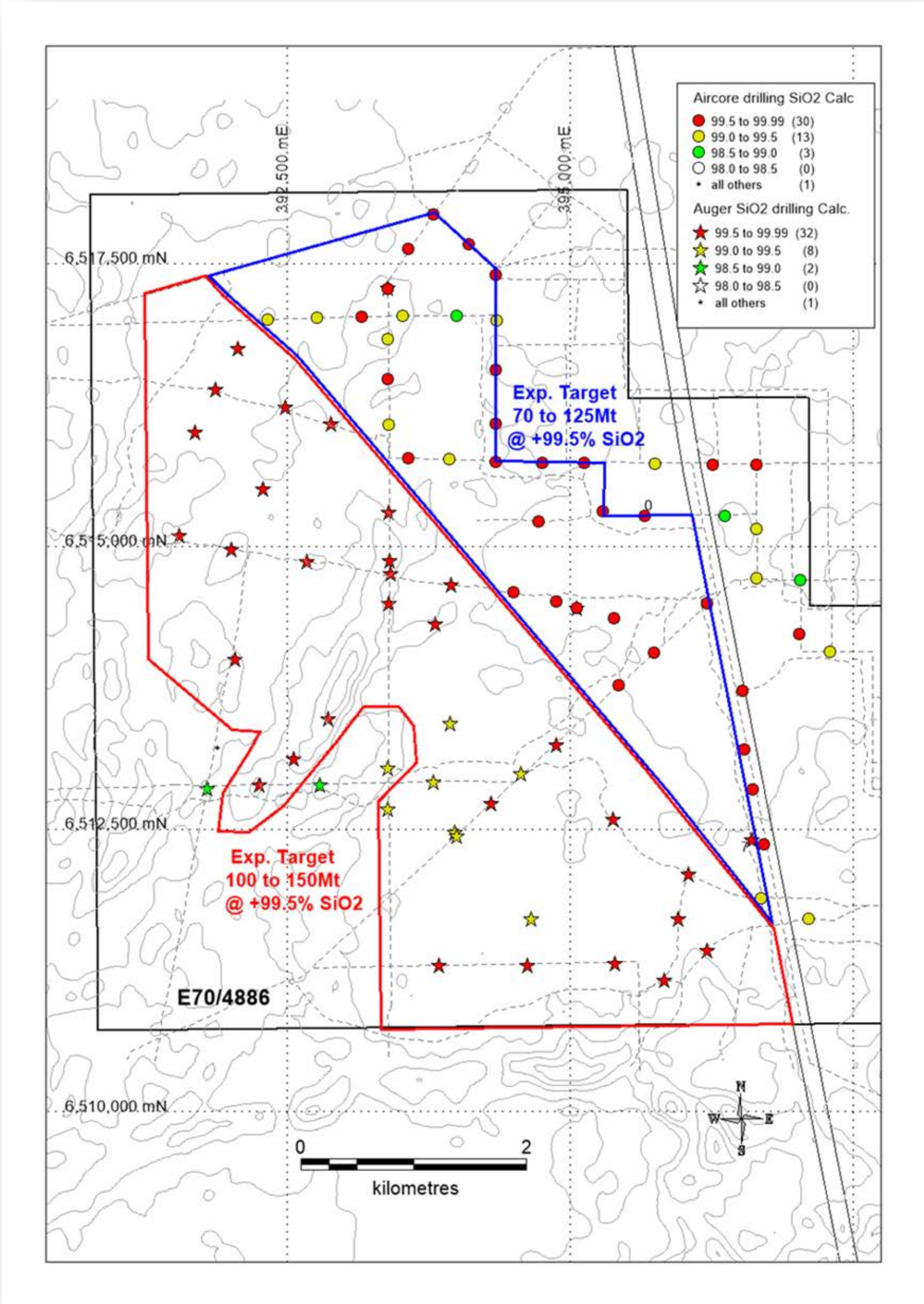


Schematic section of Silica Sand Dune Exploration Target

Drilling

As part of its preliminary due diligence investigations into the Muchea Silica Sand Project, Ventnor conducted the following drilling activities:

- *An aircore drilling program of 46 holes for 522 metres (Blue outline and dots shown on Figure below).*
- *43 hand auger holes for 249m (Red outline and stars, shown on Figure below).*



E70/4886, aircore and auger drilling and exploration targets.

Aircore

Vertical aircore drilling was completed by Wallis Drilling using a Landcruiser mounted Mantis 82 drill rig to take 1m downhole samples. Drilling encountered only unconsolidated sand and was terminated either at the water table or extended when an iron rich layer was intersected. The detailed results of the drilling are shown in Table below, and the hole positions, coloured by grade ranges, shown as dots on Figure 3. The high-grade composites shown in Table below were calculated using a 99% SiO_2 lower cut-off grade with a maximum of 2m of internal dilution.

Hole ID	MGA_Nth	MGA_East	Drilled Depth m	Comp. Depth m	$SiO_{2(Calc.)}$ %	$SiO_{2(Calc.)}$ $+LOI_{1000C}$ %	Al_2O_3 ppm	CaO ppm	Fe_2O_3 ppm	K_2O ppm	MgO ppm	Na_2O ppm	TiO_2 ppm	LOI_{1000C} %
MAC001	6515718	396644	6	1	99.63	99.73	350	203	600	65	63	53	1,314	0.10
MAC002	6515719	396260	6	6	99.56	99.64	982	X	600	550	61	78	1,261	0.09
MAC003	6515735	395746	6	4	99.43	99.63	1,128	X	500	476	61	72	1,480	0.20
MAC004	6515735	395121	9	5	99.61	99.78	553	X	480	135	53	29	944	0.17
MAC005	6515740	394750	10	6	99.70	99.84	303	X	300	25	45	22	855	0.15
MAC006	6515745	394339	12	12	99.71	99.82	329	X	308	26	53	11	1,004	0.11
MAC007	6515769	393931	15	14	99.06	99.61	2,013	7	315	57	44	18	1,441	0.54
MAC008	6515782	393568	15	3	99.57	99.84	408	X	300	53	62	15	740	0.27
MAC009	6516076	393393	15	10	99.34	99.71	1,477	X	320	79	49	45	928	0.37
MAC010	6516481	393389	15	9	99.63	99.82	276	X	356	19	30	5	1,095	0.19
MAC011	6516835	393389	36	21	99.44	99.65	1,574	6	748	160	41	35	895	0.21
MAC012	6517032	393158	18	12	99.68	99.82	464	X	350	91	33	19	764	0.15
MAC013	6517020	392764	15	11	99.45	99.76	521	X	400	43	57	16	1,298	0.31
MAC014	6517005	392327	21	15	99.41	99.69	1,173	X	547	22	38	3	1,275	0.28
MAC015	6515156	396641	10	7	99.25	99.64	1,062	44	371	406	77	54	1,609	0.39
MAC016	6514718	396643	9	8	99.47	99.73	888	25	213	254	55	17	1,262	0.26
MAC017	6514493	396209	15	6	99.63	99.78	624	X	200	260	46	26	1,073	0.15
MAC018	6514062	395743	6	4	99.30	99.66	1,588	X	125	201	67	25	1,341	0.36
MAC019	6513774	395428	9	5	99.57	99.76	688	X	320	83	59	8	1,249	0.18
MAC020	6513720	396525	9	4	99.59	99.86	381	X	X	37	65	X	889	0.28
MAC021	6513201	396536	9	4	99.60	99.83	436	X	75	48	69	X	1,085	0.23
MAC022	6512853	396609	12	9	99.68	99.85	345	X	100	62	29	X	951	0.17
MAC023	6512368	396707	15	12	99.79	99.88	296	X	67	74	11	X	693	0.10
MAC024	6511706	397101	11	11	99.18	99.69	1,828	X	145	15	22	X	1,085	0.51
MAC025	6511885	396685	9	7	99.17	99.74	956	18	143	34	33	X	1,384	0.57
MAC026	6516560	394339	9	7	99.74	99.86	268	X	71	6	7	X	1,006	0.13
MAC027	6516998	394346	6	4	99.47	99.84	373	29	100	24	42	X	1,032	0.37
MAC028	6517404	394337	9	7	99.68	99.89	277	X	57	X	28	12	716	0.21
MAC029	6517670	394103	12	9	99.73	99.86	329	X	244	X	30	X	765	0.13
MAC030	6517937	393792	12	10	99.76	99.87	298	X	70	16	17	4	858	0.12
MAC031	6517628	393567	12	10	99.80	99.90	180	X	80	X	X	X	759	0.10
MAC032	6517276	393384	14	12	99.68	99.85	446	10	142	18	13	9	815	0.17
MAC033	6517038	393516	18	17	99.45	99.72	1,152	X	629	44	27	12	949	0.27
MAC034	6517042	393996	9	5	98.92	99.71	1,321	X	140	10	58	8	1,305	0.79
MAC035	6515308	395287	9	6	99.71	99.89	250	X	33	X	21	X	828	0.18
MAC036	6515267	395659	7	5	99.56	99.84	507	26	X	46	42	27	938	0.28
MAC037	6515270	396364	10	5	98.75	99.73	825	60	140	264	71	57	1,226	0.98
MAC038	6514704	397033	6	4	98.97	99.70	1,087	74	225	185	72	41	1,307	0.73
MAC039	6514227	397026	6	6	99.59	99.78	711	X	200	115	34	50	1,116	0.18
MAC040	6514065	397298	12	12	99.46	99.80	486	21	233	32	63	40	1,090	0.35
MAC041	6515221	394715	9	6	99.56	99.85	229	19	167	X	45	X	1,007	0.29
MAC042	6514592	394493	9	7	99.55	99.80	821	17	129	80	37	14	851	0.26
MAC043	6514514	394875	15	3	99.58	99.85	529	X	X	X	31	13	961	0.27
MAC044	6514457	395052	9	5	99.50	99.80	434	28	440	28	44	10	975	0.30
MAC045	6514363	395388	7	4	99.69	99.86	460	30	50	35	60	X	765	0.17
MAC046	6516085	394337	9	7	99.63	99.84	509	16	43	22	35	X	999	0.21
			Average Composite Depth	**7.8**	**99.51**	**99.78**	**774**	**8**	**277**	**81**	**39**	**17**	**1,030**	**0.27**

* X = below detection limit

Aircore Drill results

Hand Auger

Hand auger drilling was completed by Ventnor personnel using a 100mm screw auger to take 1m downhole samples. Drilling encountered unconsolidated sand and was terminated when the hole collapsed or when an iron rich layer was intersected. The high-grade downhole composites from the drilling are shown in Table below. Figure below shows the hole positions, coloured by grade ranges, displayed as stars. The high-grade composites in Table below were calculated using either the 1m sample, or a 99% SiO_2 lower cut-off grade, with a maximum of 2m of internal dilution. It should be noted that the full depth of high-grade sand was not always tested due to hole collapse during auger drilling.

Hole ID	MGA_Nth	MGA_East	Drilled Depth	Comp. Depth	$SiO_{2(Calc.)}$	$SiO_{2(Calc.)}$ $+LOI_{1000C}$	Al_2O_3	CaO	Fe_2O_3	K_2O	MgO	Na_2O	TiO_2	LOI_{1000C}
			m	m	%	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%
MA001	6512891	392252	6	6	99.63	99.82	367	27	350	53	70	63	887	0.19
MA002	6512861	391793	6	1	98.61	99.13	6,505	121	700	350	101	86	846	0.52
MA003	6512892	392784	6.2	1	98.75	99.30	4,920	114	400	433	95	108	871	0.55
MA004	6512674	393383	6	6	99.40	99.71	1,119	37	533	121	83	79	952	0.31
MA005	6513041	393387	8	8	99.12	99.41	4,122	13	263	788	64	95	513	0.29
MA007	6512919	393785	4.2	4.2	99.38	99.84	292	133	100	22	90	69	891	0.45
MA008	6512471	393977	6	6	99.22	99.63	1,881	30	117	324	67	71	1,207	0.41
MA009	6512993	394560	4.1	4	99.23	99.67	1,294	42	100	253	69	66	1,485	0.43
MA010	6513249	394874	4.5	2	99.53	99.78	643	55	250	153	69	62	975	0.25
MA011	6512439	393991	6	2	99.27	99.79	706	84	100	88	62	46	993	0.53
MA012	6511292	393842	4.1	4	99.75	99.88	328	X	X	40	26	32	741	0.14
MA013	6511297	394618	4.1	4	99.67	99.87	260	36	50	11	53	34	881	0.20
MA014	6511312	395392	5.5	5.5	99.59	99.81	269	26	333	22	49	37	1,174	0.22
MA015	6511166	395829	6	6	99.67	99.91	194	22	X	X	57	36	564	0.24
MA016	6511426	396210	7	7	99.74	99.90	192	15	X	6	23	29	706	0.16
MA017	6512407	396602	7	7	99.56	99.90	202	25	X	X	43	39	684	0.34
MA018	6512102	396043	8	8	99.70	99.92	185	X	X	X	7	16	611	0.22
MA019	6512586	395377	2	2	99.50	99.88	269	X	X	X	47	45	824	0.38
MA020	6511710	395955	6	6	99.69	99.91	175	17	X	X	17	28	604	0.22
MA021	6514496	393398	5.8	5.8	99.74	99.91	217	24	50	11	16	38	513	0.17
MA022	6514870	392668	3.8	3.8	99.58	99.89	244	42	X	19	39	48	662	0.32
MA023	6514975	392004	6	6	99.68	99.84	516	23	233	96	10	41	647	0.16
MA024	6515093	391544	3.5	3	99.65	99.87	315	X	67	73	31	47	732	0.22
MA025	6513222	391878	3.9	1	97.42	98.34	13,627	156	1,000	499	96	80	1,086	0.92
MA026	6514002	392039	3.95	3.95	99.57	99.87	362	37	100	47	39	46	702	0.29
MA027	6514873	393405	6	6	99.74	99.89	239	25	117	24	10	23	610	0.16
MA028	6515301	393393	5.95	5.95	99.68	99.86	209	26	217	X	18	27	930	0.18
MA029	6517289	393389	6	6	99.64	99.91	216	34	X	9	12	43	545	0.28
MA030	6514665	393943	5.5	5.5	99.74	99.91	196	23	X	X	26	43	576	0.17
MA031	6514314	393806	4.2	4.2	99.66	99.85	526	21	180	86	48	56	569	0.19
MA032	6514456	395053	4.9	4.9	99.64	99.88	210	21	40	X	30	46	864	0.24
MA033	6511707	394656	2.5	2.5	99.48	99.82	351	66	133	86	57	68	1,022	0.34
MA034	6516082	392885	4	4	99.65	99.88	264	X	50	26	22	54	810	0.23
MA035	6516234	392482	3.8	3.8	99.60	99.86	242	33	200	17	36	53	778	0.26
MA036	6516392	391866	4.6	4.6	99.72	99.90	214	26	60	X	32	48	646	0.17
MA037	6516755	392059	6	6	99.66	99.87	205	21	200	X	18	36	762	0.21
MA038	6516009	391684	6	6	99.73	99.90	206	26	X	X	41	49	699	0.17
MA039	6515507	392284	6	6	99.64	99.87	212	27	X	X	41	53	930	0.23
MA040	6513432	393933	1.8	1.8	99.23	99.60	1,904	X	350	507	53	81	1,056	0.38
MA041	6513121	392554	4.5	4.5	99.76	99.91	228	X	40	44	9	48	526	0.15
MA042	6513480	392860	4.9	4.9	99.73	99.87	339	28	140	42	11	53	630	0.14
MA044	6512731	394297	9	3	99.69	99.84	383	X	X	42	X	46	1,083	0.15
MA046	6514757	393408	30	6	99.67	99.87	376	41	X	19	19	37	825	0.20
			Average Composite Depth	**4.6**	**99.58**	**99.82**	**660**	**28**	**117**	**81**	**37**	**48**	**770**	**0.24**

* X = below detection limit

Hand Auger Drill results

Twinned holes

Three Auger holes were twinned by aircore drilling to validate the hand auger as a robust means of sampling the in situ resource, in the absence of aircore drilling. The comparisons of the drilling results are shown in Table 3, below. The averages of the twin sampled depth are considered robust enough to validate the auger sampling method.

From	To	$SiO_{2\,Calc}$	$SiO_{2\,Calc}$ +LOI_{1000C}	$SiO_{2\,Calc}$	$SiO_{2\,Calc}$ +LOI_{1000C}
		MA017 (Auger)		MAC023 (AC)	
0	1	99.10	99.89	99.66	99.89
1	2	99.75	99.89	99.68	99.89
2	3	99.32	99.90	99.72	99.89
3	4	99.68	99.88	99.69	99.89
4	5	99.53	99.91	99.84	99.92
5	6	99.70	99.90	99.85	99.92
6	7	99.80	99.92	99.88	99.92
7	8			99.92	99.93
8	9			99.84	99.89
9	10			99.86	99.88
10	11			99.82	99.86
11	12			99.67	99.74
12	13			98.64	99.21
Twin Ave.		**99.56**	**99.90**	**99.76**	**99.90**

From	To	$SiO_{2\,Calc}$	$SiO_{2\,Calc}$ +LOI_{1000C}	$SiO_{2\,Calc}$	$SiO_{2\,Calc}$ +LOI_{1000C}
		MA029 (Auger)		MAC032 (AC)	
0	1	98.57	99.91	99.28	99.87
1	2	99.86	99.93	99.70	99.88
2	3	99.85	99.92	99.81	99.90
3	4	99.83	99.92	99.80	99.90
4	5	99.88	99.91	99.17	99.64
5	6	99.83	99.89	99.65	99.82
6	7			99.88	99.91
7	8			99.83	99.91
8	9			99.81	99.92
9	10			99.77	99.83
10	11			99.76	99.84
11	12			99.70	99.83
12	13			94.88	98.09
13	14			90.45	95.40
Twin Ave.		**99.64**	**99.91**	**99.57**	**99.84**

From	To	$SiO_{2\,Calc}$	$SiO_{2\,Calc}$ +LOI_{1000C}	$SiO_{2\,Calc}$	$SiO_{2\,Calc}$ +LOI_{1000C}
		MA032 (Auger)		MAC044 (AC)	
0	1	99.34	99.87	98.80	99.61
1	2	99.60	99.88	99.68	99.84
2	3	99.75	99.87	99.60	99.87
3	4	99.74	99.90	99.71	99.87
4	5	99.74	99.86	99.74	99.84
5	6			90.00	95.64
6	7			91.85	96.81
7	8			92.74	96.30
8	9			93.71	96.04
Twin Ave.		**99.64**	**99.88**	**99.51**	**99.81**

Twinned drilling results

Exploration Target

Based on these results the Company has developed Exploration Targets for the Muchea Silica Sand Project. These are:

- **Aircore drill area** – 70 Million to 125 Million tonnes silica sand with a grade in excess of 99.5% SiO_2.
- **Auger drill area** – 100 Million to 150 Million tonnes silica sand with a grade in excess of 99.5% SiO_2.

The potential quality and grade of these Exploration Targets are conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Targets have been quantified by using the following criteria and assumptions:

Aircore drill area

- 37 drill holes (AC drillholes only)
- Exploration Target area 835 ha
- 1.66t/m^3 in situ bulk density (independently determined)
- Between 80% and 100% of area contains high grade silica sand
- Depth of high grade sand between 6 to 9 metres

Auger drill area

- 50 drill holes (includes 10 aircore and 40 hand auger drillholes)
- Exploration Target area 1,800 ha
- 1.66t/m^3 in situ bulk density (independently determined)
- Between 80% and 100% of area contains high grade silica sand
- Depth of high grade sand of 4 to 5 metres
- It should be noted that auger drilling did not test the full depth of high grade sand in all holes due to hole collapse, and the depth of high grade sand may be deeper in some areas.

The dry in situ bulk density has been measured by an independent contractor using a nuclear densometer at 4 sites, with the arithmetic average used in the determination of the Exploration Target.
A grade of 99.5% SiO_2 is a critical grade for glassmaking quality sand. Drill results indicate an in situ grade in excess of this quality, and it is expected that further processing will increase this grade to provide high-value sand for speciality glass.

Quality Control Data

The Company has been validating a high-purity silica standard that was created for the Company by OREAS Pty Ltd. This was required as there is no commercial standard available for high purity silica sand. The standard was "round robin" assayed at several laboratories in Perth prior to the commencement of drilling. The standard was then included in the drill sample submissions to Intertek, in sequence, on a ratio of 1:20. Field duplicate samples were submitted in a ratio of 1:20. In addition to the duplicates the laboratory routinely repeated analysis from the pulverised samples in a ratio of 1:25. The number of QA/QC samples represents ~14% of the total assays.

A full analysis of all the quality control data has now been assessed. This analysis validates the drill assay dataset and conforms with the guidelines for reporting under the JORC-2012 code.

Reduced Level

The reduced level (RL) of the drilling collars is generated from publicly available SRTM data. SRTM topography is known to have localised precision issues, which preclude it from being used for a volume measurement as part of a mineral resource estimation. The Company intends to acquire high accuracy Light Imaging, Detection And Ranging data (LiDAR), which has the necessary precision and accuracy for a Mineral Resource estimation.

Ongoing Work

Metallurgical testwork will determine the best quality products available from the project with low deleterious minerals and highest SiO_2 grade that can be produced from the bulk resource. This will determine if the bulk resource can be declared a Mineral Resource under the JORC-2012 guidelines.

BIRANUP

The Company has a significant holding in excess of 400km^2 at the Biranup project east of Tropicana held in 6 granted Exploration Licences. Significant geophysical and geochem programs were undertaken in 2016 and early 2017 which were followed up with a number of drill programs. Down Hole EM surveys were conducted on the diamond drill holes and have highlighted an anomaly at Fire Dragon East.

The Company has also compiled a significant database on the more recently acquired Licenses which is now in a format to be interrogated for future anomalies.

Ventnor acquired more mag data over the newly granted Exploration Licences and has engaged Resource Potentials to re-interpret the data.

The Company will undertake drilling on the Fire Dragon East EM anomaly in 2019 and is actively seeking a JV partner to more thoroughly explore the many anomalies highlighted from the work to date.

WARRAWANDA

The Company continues to maintain the Warrawanda Exploration Licence. Work conducted in 2017 has highlighted an EM anomaly from one of the Company's Fixed Loop EM Surveys. The Company will further investigate the anomaly with a drill hole planned for 2019.

The project area contains a significant resource of washed river sand which will be a potential commodity to be marketed for future Pilbara concrete demand.

Competent Person's Statement

The information in this release that relates to exploration results and exploration targets 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 an employee of Ventnor Resources Limited. Mr Reid has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the "2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves."

Mr Reid consents to the inclusion in this release of the matters based on information provided by him and in the form and context in which they appear.

CORPORATE EVENTS

Demerger of Delgare Pty Ltd

During the 2018 financial year Ventnor shareholders approved the demerger of Delgare Pty Ltd and the in-specie distribution of Delgare shares to Ventnor shareholders.

Delgare Pty Ltd was a wholly owned subsidiary of Ventnor which held the Thaduna/Green Dragon Copper (**TGD**) Project in the Murchison district of Western Australia. The TGD 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. The TGD Project was sold during the 2017 financial year to Sandfire Resources NL in consideration for the issue of Sandfire shares to Delgare or its nominee to a value of $1,700,000, a deferred cash payment of $950,000 if Sandfire proceeds with a decision to mine from the TGD and a royalty on copper production from the project.

The demerger and the in-specie distribution of Delgare shares was completed in December 2017.

Non-Renounceable Rights Issue of Shares

On 28 November 2017, Ventnor announced a 1 for 8 non-renounceable rights issue of 27,924,279 fully paid ordinary shares to eligible shareholders to raise approximately $977,350 (before costs) at 3.5 cents per share (**Rights Issue**).

The offer, which was not underwritten, represented a discount of approximately 21% from the 10-trading day VWAP of the Company's shares on the ASX and included a top-up facility under which eligible shareholders could apply for additional shares.

The Record Date for the offer was 1 December 2017 and the Closing Date was 15 December 2017. All Entitlement Shares were issued on 22 December with the issue of Shortfall Shares completed by 5 January 2018.

Suspension of Trading in the Company's Shares on ASX

On 31 January 2018 Ventnor requested the ASX grant an immediate trading halt in the Company's quoted securities in order to facilitate an orderly market in the Company's securities pending a material announcement about a proposed transaction, being the Muchea Option. On 2 February 2018, ASX suspended the Company's securities from trading at the request of the Company.

ASX determined that the transaction for the Muchea Option comprised a change in the nature and/or scale of the Company's activities and trading in its shares was to remain suspended until the Company had sought shareholder approval for the transaction and re-complied with Chapters 1 and 2 of the ASX Listing Rules for a re-listing of its shares in ASX.

CORPORATE EVENTS SUBSEQUENT TO YEAR END

In late July 2018, the Company entered into new agreements with Wisecat Pty Ltd and Australian Silica Pty Ltd to immediately acquire 100% of the Muchea Silica Sand Project (**Muchea Project**) in lieu of the Muchea Option in consideration for the issue of an aggregate of 8,333,333 Ventnor shares to Wisecat Pty Ltd and 65 million Ventnor shares and 20 million options over Ventnor shares to Australian Silica and an ongoing net production royalty of 1%. Shareholder approval sought for the issue of the shares and options (where required) was obtained on 14 September 2018.

In addition, in late July/early August 2018 the Company conducted a capital raising of $2.4 million from professional and sophisticated investors through the issue of 40 million shares at $0.06 each, including $207,000 (3,450,000 shares) committed by Ventnor directors that were issued following shareholder approval obtained on 14 September 2018.

Under the new transaction structure for the Muchea Silica Sand Project, ASX confirmed that the Company was no longer required to re-comply with ASX's admission requirements for the re-listing of the Company's shares and trading in its shares recommenced on 2 August 2018.

Your directors present their report on the Company and its controlled entities for the year ended 30 June 2018.

DIRECTORS

The names of the directors of the Company in office during the financial year and up to the date of this report are as follows:

Paul Boyatzis
Bruce Maluish
Peter Pawlowitsch

Directors were in office from the beginning of the financial year until the date of this report unless otherwise stated.

The particulars of the qualifications, experience and special responsibilities of each director are as follows:

Paul Boyatzis, B Bus, ASA, MSDIA, CPA – Non-Executive Chairman

Mr Boyatzis has over 30 years' experience in the investment and equity markets and an extensive working knowledge of public companies. He has assisted many emerging companies raise investment capital both locally and through overseas institutional investors.

Mr Boyatzis is a current member of the Australian Institute of Company Directors, the Securities and Derivative Industry Association and a member of the Certified Practising Accountants of Australia.

Director since 24 September 2010.

During the past three years Mr Boyatzis has held the following other listed company directorships:

- Nexus Minerals Ltd – 6 October 2006 to present
- Aruma Resources Ltd – 5 January 2010 to present
- Transaction Solutions International Ltd – 23 February 2010 to 30 June 2017

Bruce Maluish, BSc (Surv), Dip Met Min – Managing Director

Mr Maluish has more than 30 years' experience in the mining industry with numerous roles as Managing Director and General Manager with companies such as the Monarch Group of Companies, Matilda Minerals, Abelle, Hill 50 and Forsyth Mining, while mining a variety of commodities from gold, nickel and mineral sands from both open pits and underground.

His management and administrative experience includes the set up and marketing of IPOs, from commencement of exploration to full production, to the identification, development and expansion of projects including mergers and acquisitions.

His international experience includes identification of projects and negotiations with clients in Asian markets.

His qualifications include credentials in Surveying, Mining, Project Planning and Finance

Director since 24 September 2010.

During the past three years Mr Maluish has held the following other listed company directorships:

- Nexus Minerals Ltd – 1 July 2015 to present

Peter Pawlowitsch, B.Com, MBA, CPA – Non-Executive Director

Mr Pawlowitsch holds a Bachelor of Commerce from the University of Western Australia, is a member of the Certified Practising Accountants of Australia and holds a Masters of Business Administration from Curtin University.

These qualifications have underpinned more than 10 years' experience in the accounting profession and more recently in business management and the evaluation of businesses and mining projects.

Director since 12 February 2010.

During the past three years Mr Pawlowitsch has held the following other listed company directorships:
- Dubber Corporation Limited – 26 September 2011 to present
- Department 13 International Limited – 30 January 2012 to 18 December 2015
- Knosys Limited – 16 March 2015 to present
- Novatti Group Limited – 19 June 2015 to present
- Rewardle Holdings Limited – 30 May 2017 to present

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors (direct and indirect) in the shares and options of Ventnor Resources Limited were:

Paul Boyatzis
- 2,981,250 ordinary fully paid shares
- 1,000,000 options expiring 28 November 2019, exercisable at 2.8 cents each
- 3,000,000 options expiring 30 November 2020, exercisable at 7.2 cents each

Bruce Maluish
- 12,310,535 ordinary fully paid shares
- 2,000,000 options expiring 28 November 2019, exercisable at 2.8 cents each
- 5,000,000 options expiring 30 November 2020, exercisable at 7.2 cents each

Peter Pawlowitsch
- 21,508,436 ordinary fully paid shares
- 1,000,000 options expiring 28 November 2019, exercisable at 2.8 cents each
- 3,000,000 options expiring 30 November 2020, exercisable at 7.2 cents each

COMPANY SECRETARY

John Geary, B.Bus, Grad Dip Acctg, Grad Dip Adv Taxation

Mr Geary has forty years' experience in the mineral exploration industry in Australia and overseas. His experience includes prospecting and the evaluation, acquisition, maintenance and compliance requirements associated with mining tenements.

He has been actively engaged in the planning and implementation of many exploration programmes and his experience as a contract driller has enabled him to recognise and identify potential resource value.

He has been involved in the promotion, prospectus preparation and listing of a number of exploration companies (IPO's) on the Australian Securities Exchange. He has held the position of Executive Director and Company Secretary for a number of ASX listed exploration companies in recent years.

CORPORATE INFORMATION

Corporate Structure

Ventnor Resources Limited is a limited liability company that is incorporated and domiciled in Australia. Ventnor Resources Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year as follows:

Ventnor Resources Ltd	-	parent entity
Delgare Pty Ltd	-	demerged on 12 December 2017
Ventnor Gold Pty Ltd	-	100% owned controlled entity
Ventnor Kumarina Pty Ltd	-	100% owned controlled entity
Ventnor Mining Pty Ltd	-	100% owned controlled entity
Ventnor Pilbara Pty Ltd	-	100% owned controlled entity

Nature of Operations and Principal Activities

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

OPERATING AND FINANCIAL REVIEW

Review of Operations

A review of operations for the financial year and the results of those operations is contained within the company review.

Operating Results

Consolidated loss after income tax for the financial year was $1,781,477 (2017: $1,010,828).

Financial Position

At 30 June 2018, the Group had net asset of $2,839,913 (2017: $3,441,751) with cash reserves of $276,936.

Financing and Investing Activities

The Company issued the following securities during the year:

- 27,924,279 ordinary fully paid shares by a one for eight non-renounceable rights issue at an issue price of 3.5 cents each, raising $977,350.

Dividends

No dividends were paid during the year and no recommendation is made as to dividends.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Company during the financial year are detailed in the company review.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or in the financial report.

EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen, since the end of the financial year, which significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years, other than as follows or outlined in the company review which is contained in this Annual Report:

Wisecat Acquisition
On 30 July 2018, the Company announced that it had acquired Wisecat Pty Ltd ("Wisecat") for the consideration of 8,333,333 fully paid ordinary shares in the Company ("Ventnor Shares"). The shares were issued to Goldfire Enterprises Pty Ltd ("Goldfire"), the sole shareholder of Wisecat, on 1 August 2018.

Muchea Tenement Acquisition
Wisecat entered into a tenement acquisition agreement with Australian Silica Pty Ltd ("Australian Silica") to purchase the Muchea Tenement (E70/4886) on the following terms:

- Initial issue of 10,000,000 Ventnor Shares to Australian Silica, issued on 1 August 2018.
- Issue, subject to shareholder approval, 55,000,000 Ventnor Shares and 20,000,000 options, at an issue price of 0.001 cent per option. Each option is exercisable into Ventnor Shares on or before 30 June 2021 at 10 cents. Shareholder approval was obtained on 14 September 2018 and the shares and options were issued to Australian Silica on 19 September 2018.
- In addition to the above, the Company will pay Australian Silica an ongoing net production royalty of 1%.

Share Placement
In conjunction with the Wisecat Acquisition and the Muchea Tenement Acquisition the Company received firm commitments for a placement of 40,000,000 shares at an issue price of 6 cents each to raise approximately $2,400,000 (before costs).

The placement comprised:

a) a first tranche of 36,550,000 shares issued to investors on 1 August 2018; and
b) a second tranche of 3,450,000 shares issued to the Directors on 19 September 2018, after shareholder approval was obtained on 14 September 2018.

Facilitation Options
On 19 September 2018, the Company issued 5,000,000 options, exercisable at 10 cents each and expiring on 30 June 2021, to Goldfire, in consideration for Goldfire assisting in facilitating the transaction structure for the acquisition of the Muchea Tenement.

Consultants Options
On 25 September 2018, the Company issued 5,500,000 options exercisable at 10 cents each on or before 30 November 2021, to consultants for no consideration.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company will continue to pursue its principal activity of exploration and evaluation, particularly in respect to the projects as more particularly outlined in the company review. The Company will also continue to pursue other potential investment opportunities to enhance shareholder value.

MEETINGS OF DIRECTORS

The numbers of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Board of Directors Meetings	
	Number eligible to attend	Number attended
P Boyatzis	4	4
B Maluish	4	4
P Pawlowitsch	4	4

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director and executive of Ventnor Resources Limited. The information provided in the remuneration report includes remuneration disclosures that are audited as required by section 308(3C) of the Corporations Act 2001.

For the purposes of this report Key Management Personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

For the purposes of this report the term “executive” includes those key management personnel who are not directors of the parent company.

Remuneration Committee

The full Board carries out the role and responsibilities of the Remuneration Committee and is responsible for determining and reviewing the compensation arrangements for the Directors themselves, the Managing Director and any Executives.

Executive remuneration is reviewed annually having regard to individual and business performance, relevant comparative remuneration and internal and independent external advice.

The remuneration report is set out under the following main headings:
- Remuneration policy
- Remuneration structure
- Employment contracts of directors and senior executives
- Details of remuneration for year
- Compensation options to key management personnel
- Shares issued to key management personnel on exercise of compensation options
- Additional disclosures relating to key management personnel

A. Remuneration policy

The board policy is to remunerate directors at market rates for time, commitment and responsibilities. The board determines payments to the directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of directors’ fees that can be paid is subject to approval by shareholders in general meeting, from time to time. Fees for non-executive directors are not linked to the performance of the consolidated entity. However, to align directors’ interests with shareholders’ interests, the directors are encouraged to hold shares in the Company.

The Company’s aim is to remunerate at a level that will attract and retain high-calibre directors and employees. Company officers and directors are remunerated to a level consistent with the size of the Company.

The executive directors and full time executives receive a superannuation guarantee contribution required by the government, which is currently 9.50%, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed.

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

The Company did not pay any performance-based component of remuneration during the year.

B. Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive compensation is separate and distinct.

Non-executive Director Compensation

Objective

The Board seeks to set aggregate compensation at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination approved by shareholders was an aggregate compensation of $250,000 per year.

The amount of aggregate compensation sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Non-Executive Directors' remuneration may include an incentive portion consisting of options, as considered appropriate by the Board, which may be subject to Shareholder approval in accordance with ASX listing rules.

Separate from their duties as Directors, the Non-Executive Directors undertake work for the Company directly related to the evaluation and implementation of various business opportunities, including mineral exploration/evaluation and new business ventures, for which they receive a daily rate. These payments are made pursuant to individual agreement with the non-executive Directors and are not taken into account when determining their aggregate remuneration levels.

Executive Compensation

Objective

The entity aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the entity so as to:

- reward executives for Company and individual performance against targets set by appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link rewards with the strategic goals and performance of the Company; and
- ensure total compensation is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Due to the limited size of the Company and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles.

Remuneration consists of a fixed remuneration and a long term incentive portion as considered appropriate.

Compensation may consist of the following key elements:

- Fixed Compensation;
- Variable Compensation;
- Short Term Incentive (STI); and
- Long Term Incentive (LTI).

Fixed Remuneration
The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Board having regard to the Company and individual performance, relevant comparable remuneration in the mining exploration sector and external advice.

The fixed remuneration is a base salary or monthly consulting fee.

Variable Pay — Long Term Incentives
The objective of long term incentives is to reward directors/executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. The incentive portion is payable based upon attainment of objectives related to the director's/executive's job responsibilities. The objectives vary, but all are targeted to relate directly to the Company's business and financial performance and thus to shareholder value.

Long term incentives (LTI's) granted to directors/ executives are delivered in the form of options.

LTI grants to Executives are delivered in the form of employee share options. These options are issued at an exercise price determined by the Board at the time of issue. The employee share options generally vest over a selected period.

The objective of the granting of options is to reward Executives in a manner which aligns the element of remuneration with the creation of shareholder wealth. As such LTI's are made to Executives who are able to influence the generation of shareholder wealth and thus have an impact on the Company's performance.

The level of LTI granted is, in turn, dependent on the Company's recent share price performance, the seniority of the Executive, and the responsibilities the Executive assumes in the Company.

Typically, the grant of LTIs occurs at the commencement of employment or in the event that the individual receives a promotion and, as such, is not subsequently affected by the individual's performance over time.

C. Employment contracts of directors and senior executives

The employment arrangements of the directors are not formalised in a contract of employment.

D. Details of remuneration for year

Directors
The following persons were directors of Ventnor Resources Limited during the current and previous financial years:

Paul Boyatzis	Chairman (non-executive)
Bruce Maluish	Director (executive)
Peter Pawlowitsch	Director (non-executive)

There were no other persons that fulfilled the role of a key management person, other than those disclosed as Executive Directors.

Remuneration

Details of the remuneration of each Director and named executive officer of the Company, including their personally-related entities, during the year was as follows:

Director	Year	Short Term Benefits	Post Employment	Share Based Payments	Total
		Salary and Fees	Superannuation	Options	
		$	$	$	$
P Boyatzis	**2018**	**30,000**	**-**	**60,900**	**90,900**
	2017	30,000	-	11,200	41,200
B Maluish	**2018**	**100,000**	**9,500**	**101,500**	**211,000**
	2017	100,000	9,500	22,400	131,900
P Pawlowitsch	**2018**	**18,265**	**1,735**	**60,900**	**80,900**
	2017	18,265	1,735	11,200	31,200
Total	**2018**	**148,265**	**11,235**	**223,300**	**382,800**
	2017	148,265	11,235	44,800	204,300

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Director	Year	Fixed Remuneration	At risk - STI	At risk - LTI
P Boyatzis	**2018**	**33%**	**-**	**67%**
	2017	73%	-	27%
B Maluish	**2018**	**52%**	**-**	**48%**
	2017	83%	-	17%
P Pawlowitsch	**2018**	**25%**	**-**	**75%**
	2017	64%	-	36%

There were no performance related payments made during the year. Performance hurdles are not attached to remuneration options, however the Board determines appropriate vesting periods to provide rewards over a period of time to key management personnel.

E. Compensation options to key management personnel

The following options were granted as equity compensation benefits to Directors and Executives. The options were issued free of charge and vested immediately. Each option entitles the holder to subscribe for one fully paid ordinary share in the Company at various exercise prices with various expiry dates.

Director	Grant Date	Number Granted	Fair Value per Option at Grant Date	Exercise price per Option	First exercise date	Last exercise date
P Boyatzis	30/11/17	3,000,000	$0.0203	$0.072	21/12/17	30/11/20
B Maluish	30/11/17	5,000,000	$0.0203	$0.072	21/12/17	30/11/20
P Pawlowitsch	30/11/17	3,000,000	$0.0203	$0.072	21/12/17	30/11/20
Total		**11,000,000**				

F. Shares issued to key management personnel on exercise of compensation options

No shares were issued to Directors and Executives on exercise of compensation options during the year.

G. Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Director	Balance 01/07/17	Received as Remuneration	Options Exercised	Acquired/ (disposed)	Net Change Other	Balance 30/06/18
Paul Boyatzis	2,250,000	-	-	-	a) 281,250	2,531,250
Bruce Maluish	10,053,810	-	-	-	a) 1,256,725	11,310,535
Peter Pawlowitsch	4,007,500	-	-	14,999,999	a) 500,937	19,508,436
Total	**16,311,310**	**-**	**-**	**14,999,999**	**2,038,912**	**33,350,221**

a) – Shares subscribed for under Director's entitlement in the 1 for 8 non-renounceable rights offer dated 28 November 2017.

Option Holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Director	Balance 01/07/17	Received as Remunerat -ion	Options Exercised	Options Expired	Net Change Other	Balance 30/06/18	Number Vested and Exercisable
Paul Boyatzis	1,500,000	3,000,000	-	(500,000)	-	4,000,000	4,000,000
Bruce Maluish	3,000,000	5,000,000	-	(1,000,000)	-	7,000,000	7,000,000
Peter Pawlowitsch	1,500,000	3,000,000	-	(500,000)	-	4,000,000	4,000,000
Total	**6,000,000**	**11,000,000**	**-**	**(2,000,000)**	**-**	**15,000,000**	**15,000,000**

H. Other transactions with key management personnel

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the year, the Company subleased office space for:
- $11,100 to Gyoen Pty Ltd, Mr Peter Pawlowitsch's consultancy company; and
- $29,350 to Aruma Resources Ltd, a company Mr Paul Boyatzis is a director of.

During the year, the one for eight non-renounceable rights issue of 27,924,279 fully paid ordinary shares at $0.035 each raised $977,350 (before costs). The application shares were issued on 22 December 2017 and the shortfall shares were issued on 5 January 2018. Mr Paul Boyatzis, Mr Bruce Maluish and Mr Peter Pawlowitsch subscribed for their entitlement of 281,250, 1,256,725 and 500,937 shares respectively under the rights issue offer.

I. Voting and comments made at the Company's last Annual General Meeting ('AGM')

At the 2017 AGM, 99.6% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2017. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

J. Additional information

The earnings of the consolidated entity for the five years to 30 June 2018 are summarised below:

	2018 $	2017 $	2016 $	2015 $	2014 $
Sales revenue	75,384	80,355	68,950	61,135	232,875
EBITDA	(1,780,193)	(999,075)	(9,980,287)	(825,273)	(1,824,942)
EBIT	(1,781,477)	(1,010,828)	(10,013,717)	(863,297)	(1,875,514)
Loss after income tax	(1,781,477)	(1,010,828)	(10,013,717)	(863,297)	(2,211,821)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2018	2017	2016	2015	2014
Share price at financial year end ($)	0.07	0.01	0.02	0.03	0.05
Total dividends declared (cents per share)	-	-	-	-	-
Basic loss per share (cents per share)	(0.75)	(0.51)	(7.28)	(0.73)	(2.68)

[THIS CONCLUDES THE REMUNERATION REPORT, WHICH HAS BEEN AUDITED]

INSURANCE OF OFFICERS

The Company has in place an insurance policy insuring Directors and Officers of the Company against any liability arising from a claim brought by a third party against the Company or its Directors and officers, and against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a Director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

In accordance with a confidentiality clause under the insurance policy, the amount of the premium paid to the insurers has not been disclosed. This is permitted under Section 300(9) of the Corporations Act 2001.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

SHARE OPTIONS

At the date of this report there were the following unissued ordinary shares for which options were outstanding:

- 1,000,000 options expiring 31 October 2019, exercisable at 2.8 cents each
- 5,000,000 options expiring 28 November 2019, exercisable at 2.8 cents each
- 15,250,000 options expiring 30 November 2020, exercisable at 7.2 cents each
- 25,000,000 options expiring 30 June 2021, exercisable at 10 cents each
- 5,500,000 options expiring 30 November 2021, exercisable at 10 cents each

During the year options were issued as follows:

- 15,250,000 options exercisable at 7.2 cents each on or before 30 November 2020

During the year the following options expired:

- 2,750,000 options exercisable at 5.5 cents each expired on 2 December 2017

No options were exercised during the year.

Since the end of the financial year and up to the date of this report, the following options were issued:

- 25,000,000 options exercisable at 10 cents each on or before 30 June 2021
- 5,500,000 options exercisable at 10 cents each on or before 30 November 2021

Subsequent to year end, no options have been exercised and no options have expired.

No person entitled to exercise these options had or has any right, by virtue of the option, to participate in any share issue of any other body corporate.

LEGAL PROCEEDINGS

The Company was not a party to any legal proceedings during the year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

ENVIRONMENTAL REGULATIONS

The Company is not currently subject to any specific environmental regulation. There have not been any known significant breaches of any environmental regulations during the year under review and up until the date of this report.

CORPORATE GOVERNANCE

Under ASX Listing Rule 4.10.3 the Company's Corporate Governance Statement can be located at the URL on the Company's website being: : http://www.ventnorresources.com.au/downloads.html

AUDITOR

RSM Australia Partners continues in office in accordance with Section 327 of the Corporations Act 2001.

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 4 to the financial statements. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA PARTNERS

There are no officers of the Company who are former partners of RSM Australia Partners.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration as required under section 307C of the Corporations Act 2001, has been received and is included within the financial report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

B Maluish

Bruce Maluish
Director
Perth, 28 September 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated 2018	Consolidated 2017
		$	$
Continuing operations			
Revenue	2(a)	**75,384**	80,355
Exploration and evaluation expenditure	10	**(370,428)**	(219,313)
Depreciation		**(1,284)**	(11,753)
Directors' fees and benefits expense		**(159,500)**	(159,500)
Share based payments	21	**(302,750)**	(69,500)
Loss on sale of available for sale financial assets	8	**-**	(100,591)
Other expenses	2(b)	**(1,022,899)**	(530,526)
Loss before income tax expense		**(1,781,477)**	(1,010,828)
Income tax expense	3	**-**	-
Net loss for the year		**(1,781,477)**	(1,010,828)
Other comprehensive income		**-**	-
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive loss attributable to the members of Ventnor Resources Limited		**(1,781,477)**	(1,010,828)
Earnings per share attributable to the members of Ventnor Resources Limited		**Cents**	**Cents**
Basic/diluted earnings per share	5	**(0.75)**	(0.51)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	Consolidated 2018	2017
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents	6	**276,936**	1,227,791
Trade and other receivables	7	**153,547**	125,867
Total Current Assets		**430,483**	1,353,658
Non-Current Assets			
Trade and other receivables	7	**45,184**	44,630
Plant and equipment	9	**4,546**	2,780
Deferred exploration expenditure	10	**2,634,453**	2,374,791
Total Non-Current Assets		**2,684,183**	2,422,201
Total Assets		**3,114,666**	3,775,859
LIABILITIES			
Current Liabilities			
Trade and other payables	11	**200,449**	272,956
Provisions	12	**74,304**	61,152
Total Current Liabilities		**274,753**	334,108
Total Liabilities		**274,753**	334,108
Net Assets		**2,839,913**	3,441,751
EQUITY			
Issued capital	14	**21,448,698**	20,571,809
Reserves	15	**1,923,506**	1,620,756
Accumulated losses	13	**(20,532,291)**	(18,750,814)
Total Equity		**2,839,913**	3,441,751

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

Consolidated	Issued Capital	Reserves	Accumulated Losses	Total
	$	$	$	$
2018				
Balance at 1 July 2017	**20,571,809**	**1,620,756**	**(18,750,814)**	**3,441,751**
Loss for the year	**-**	**-**	**(1,781,477)**	**(1,781,477)**
Total comprehensive loss for the year	**-**	**-**	**(1,781,477)**	**(1,781,477)**
Securities issued during the year	**977,350**	**-**	**-**	**977,350**
Capital raising costs	**(461)**	**-**	**-**	**(461)**
Reduction of capital on demerger of subsidiary	**(100,000)**	**-**	**-**	**(100,000)**
Cost of share based payments	**-**	**302,750**	**-**	**302,750**
Balance at 30 June 2018	**21,448,698**	**1,923,506**	**(20,532,291)**	**2,839,913**
2017				
Balance at 1 July 2016	19,343,243	1,551,256	(17,739,986)	3,154,513
Loss for the year	-	-	(1,010,828)	(1,010,828)
Total comprehensive loss for the year	-	-	(1,010,828)	(1,010,828)
Securities issued during the year	1,286,977	-	-	1,286,977
Capital raising costs	(58,411)	-	-	(58,411)
Cost of share based payments	-	69,500	-	69,500
Balance at 30 June 2017	20,571,809	1,620,756	(18,750,814)	3,441,751

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated 2018	2017
		$	$
Cash flows from operating activities			
Payments to suppliers and employees		**(1,067,511)**	(724,371)
Interest received		**3,870**	9,709
Other income		**46,450**	31,800
Net cash outflows used in operating activities	6(i)	**(1,017,191)**	(682,862)
Cash flows from investing activities			
Expenditure on mining interests		**(807,513)**	(1,007,206)
Payment for plant and equipment		**(3,050)**	-
Payment of security bonds		**-**	(2,583)
Proceeds from sale of available for sale financial assets		**-**	1,599,409
Dividends received		**-**	14,912
Cash disposed on demerger of subsidiary		**(100,000)**	-
Net cash (used in)/provided by investing activities		**(910,563)**	604,532
Cash flows from financing activities			
Proceeds from issue of shares		**977,360**	1,286,977
Payment of capital raising costs		**(461)**	(64,926)
Proceeds from borrowings		**-**	100,000
Repayment of borrowings		**-**	(100,000)
Net cash provided by financing activities		**976,899**	1,222,051
Net (decrease)/increase in cash held		**(950,855)**	1,143,721
Cash at beginning of the financial year		**1,227,791**	84,070
Cash at end of financial year	6	**276,936**	1,227,791

The accompanying notes form part of these financial statements.

1. *Summary of Significant Accounting Policies*

These consolidated financial statements and notes represent those of Ventnor Resources Limited and controlled entities. (“Group” or “Consolidated Entity”).

Ventnor Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the Directors’ Report.

The separate financial statements of the parent entity, Ventnor Resources Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial report was authorised for issue on 28 September 2018 by the directors of the Company.

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (‘AASB’) and the *Corporations Act 2001*. The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Except for cash flow information, the financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(b) New Accounting Standards for Application in Current and Future Periods

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for period ended 30 June 2018. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments
These amendments must be applied for financial years commencing on or after 1 January 2018. Therefore application date for the Group will be 30 June 2019. The Group does not currently have any hedging arrangements in place.

AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting. There will be no impact on the Group’s accounting for financial assets and financial liabilities, as the new requirements only effect the accounting for available-for-sale financial assets and the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such financial assets or financial liabilities. The new hedging rules align hedge accounting more closely with the Group’s risk management practices. As a general rule it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.

1. Summary of Significant Accounting Policies (Continued)

(b) New Accounting Standards for Application in Current and Future Periods (continued)

AASB 15 Revenue from Contracts with Customers
These amendments must be applied for annual reporting periods beginning on or after 1 January 2018. Therefore application date for the Group will be 30 June 2019.

An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue. The Group will adopt this standard from 1 July 2018. The impact of its adoption has been assessed to be immaterial.

AASB 16 Leases
IFRS 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its statement of financial position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its statement of financial position for most leases.

There are some optional exemptions for leases with a period of 12 months or less and for low value leases. The application date of this standard is for annual reporting periods beginning on or after 1 January 2019. The Group will adopt this standard from 1 July 2019 and the impact of its adoption has been assessed to be immaterial.

(c) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Ventnor Resources Limited ("Company" or "Parent Entity") and its subsidiaries as at 30 June each year ("Consolidated Entity" or "Group"). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Business combinations have been accounted for using the acquisition method of accounting (refer note 1(e)).

1. Summary of Significant Accounting Policies (Continued)

(d) Basis of Consolidation (continued)

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of the Company.

When the group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(e) Business Combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified as either equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the statement of comprehensive income.

1. Summary of Significant Accounting Policies (Continued)

(f) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(g) Cash and Cash Equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

(h) Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement within 30 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

An allowance account for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the statement of comprehensive income. When a trade receivable for which an impairment allowance has been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(i) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

1. Summary of Significant Accounting Policies (Continued)

(i) Income Tax (continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(j) Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

1. Summary of Significant Accounting Policies (Continued)

(k) Financial Assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace

(i) Financial assets at fair value through profit or loss
Financial assets classified as held for trading are included in the category ‘financial assets at fair value through profit or loss’. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments
Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm’s length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

1. Summary of Significant Accounting Policies (Continued)

(l) Mineral Exploration and Evaluation Expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
(b) exploration and evaluation activities in the area have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence, or otherwise, of economically recoverable reserves and active and significant operations in, or relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(m) Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

1. Summary of Significant Accounting Policies (Continued)

(m) Impairment of Assets (continued)

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(n) Trade and Other Payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(p) Interest-Bearing Loans and Borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. Interest calculated using the effective interest rate method is accrued over the period it becomes due and increases the carrying amount of the liability.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

1. Summary of Significant Accounting Policies (Continued)

(q) Share-Based Payment Transactions

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

When provided, the cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model or the binomial option valuation model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Ventnor Resources Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(r) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(s) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

1. Summary of Significant Accounting Policies (Continued)

(t) Earnings per Share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(u) Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as the lease income.

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

(v) Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:
Plant and equipment – over 3 to 5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) *Impairment*
The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

1. Summary of Significant Accounting Policies (Continued)

(v) Plant and Equipment (continued)

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the assets belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income.

(ii*) Derecognition and disposal*
An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(w) Finance Costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including interest on short-term and long-term borrowings.

(x) Employee Benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

1. Summary of Significant Accounting Policies (Continued)

(y) Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(z) Non-Current Assets Classified as Held for Sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

1. Summary of Significant Accounting Policies (Continued)

(aa) Significant Accounting Estimates and Judgments

Significant accounting judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Exploration and evaluation assets
The Group's accounting policy for exploration and evaluation expenditure is set out at Note 1(l). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the statement of comprehensive income.

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of assets
In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined from market value.

	Consolidated	
	2018	**2017**
	$	**$**
2. *Revenue and Expenses*		
(a) Revenue		
Interest received – other corporations	**4,334**	9,206
Dividends	**-**	14,912
Other	**71,050**	56,237
	75,384	80,355
(b) Other Expenses		
Audit fees	**33,500**	32,500
Consulting fees	**150,735**	103,400
Legal fees	**227,580**	19,527
Rent	**83,316**	83,254
Securities exchange and registry fees	**63,963**	44,136
Other	**463,805**	247,709
	1,022,899	530,526

3. *Income Tax*

(a) Income tax expense

The income tax expense for the year differs from the prima facie tax as follows:		
Loss for year	**(1,781,477)**	(1,010,828)
Prima facie income tax (benefit) @ 27.5% (2017: 27.5%)	**(489,906)**	(277,978)
Tax effect of non-deductible / (non-assessable) items	**(28,623)**	(299,194)
Deferred tax assets not brought to account	**518,529**	577,172
Total income tax expense	**-**	-

(b) Deferred tax assets

Deferred tax assets not brought to account arising from tax losses, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(i) occur:	**6,670,888**	6,169,646

There are no franking credits available to the Group.

4. *Auditors' Remuneration*

The auditor of Ventnor Resources Limited is RSM Australia Partners.

Amounts, received or due and receivable by RSM Australia Partners for:		
- audit or review services	**33,500**	32,500
- other non-audit services	**56,595**	8,700
	90,095	41,200

	Consolidated	
	2018	**2017**
	$	**$**

5. *Earnings per Share (EPS)*

	Cents	**Cents**
Basic earnings per share	**(0.75)**	(0.51)

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

Earnings – Net loss for year	**(1,781,477)**	(1,010,828)
	No.	**No.**
Weighted average number of ordinary shares used in the calculation of basic EPS	**237,730,795**	196,557,494

6. *Cash and Cash Equivalents*

Cash at bank	**276,936**	1,227,791

Cash at bank earns interest at floating rates based on daily bank deposit rates.

(i) Reconciliation of loss for the year to net cash flows from operating activities:

Loss for the year	**(1,781,477)**	(1,010,828)
Depreciation	**1,284**	11,753
Equity settled share based payment	**302,750**	69,500
Exploration and evaluation expenditure	**370,428**	219,313
Loss on sale of available for sale financial assets	**-**	100,591
Dividend income (investing activities)	**-**	(14,912)
Changes in assets and liabilities		
Receivables	**(34,565)**	(20,618)
Payables	**121,371**	10,114
Provisions	**11,047**	2,106
GST payable/receivable	**(8,029)**	(49,881)
Net cash flows used in operating activities	**(1,017,191)**	(682,862)

(ii) Non-cash financing and investing activities

There were no non-cash financing and investing activities during the year or the previous year.

	Consolidated	
	2018	2017
	$	$

7. *Trade and Other Receivables*

Current		
Interest receivable	**159**	249
GST recoverable	**71,905**	80,696
Other receivables	**81,483**	44,922
	153,547	125,867

Terms and conditions relating to the above financial instruments:

- Other receivables are non-interest bearing and generally repayable within 30 days.
- Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

Non-Current		
Security bonds	**25,184**	24,630
Performance bond	**20,000**	20,000
	45,184	44,630

8. *Available for Sale Financial Assets*

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.

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 year ended 30 June 2017 for $1,599,409, realising a loss on disposal of $100,591.

9. *Plant and Equipment*

Plant and equipment - at cost	**225,606**	222,556
Less: Accumulated depreciation	**(221,060)**	(219,776)
Net carrying amount	**4,546**	2,780
Reconciliation		
At 1 July, net of accumulated depreciation and impairment	**2,780**	14,533
Additions	**3,050**	-
Depreciation expense	**(1,284)**	(11,753)
At 30 June, net of accumulated depreciation and impairment	**4,546**	2,780

	Consolidated	
	2018	2017
	$	$

10. *Deferred Exploration Expenditure*

Expenditure brought forward	**2,374,791**	1,403,001
Expenditure incurred during year	**630,090**	1,191,103
Expenditure written off during year	**(370,428)**	(219,313)
Expenditure carried forward	**2,634,453**	2,374,791

The expenditure above relates principally to the exploration and evaluation phase. The ultimate recoupment of this expenditure is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest, at amounts at least equal to book value.

11. *Trade and Other Payables*

Current		
Trade and other payables	**200,449**	272,956

Terms and conditions relating to the above financial instruments:
- Trade payables are non-interest bearing and are normally settled on 30 day terms.
- Due to the short term nature of trade payable and accruals, their carrying value is assumed to approximate their fair value.

12. *Provisions*

Current		
Employee benefits	**74,304**	61,152

Employee benefits represent annual leave entitlements of employees within the Group and are non-interest bearing. The entire obligation is presented as current, since the Group does not have a right to defer settlement.

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken within the next 12 months:

Employee benefits expected to be settled after 12 months	**-**	-

13. *Equity - Accumulated Losses*

Accumulated losses at the beginning of the year	**(18,750,814)**	(17,739,986)
Loss after income tax expenses for the year	**(1,781,477)**	(1,010,828)
Accumulated losses at the end of the year	**(20,532,291)**	(18,750,814)

	Consolidated 2018 $	Consolidated 2017 $

14. *Issued Capital*

(a) Issued and paid up capital

	2018 $	2017 $
Ordinary shares - fully paid	**21,448,698**	20,571,809

(b) Movement in ordinary shares on issue

	Issue Price	No. of Shares	$
2018			
Balance at the beginning of the year		**223,395,589**	**20,571,809**
Reduction of capital on demerger of subsidiary (Note 16)		**-**	**(100,000)**
Issued for cash pursuant to entitlement offer – 22 December 2017	**$0.035**	**20,696,623**	**724,382**
Entitlement offer shortfall shares issued for cash – 5 January 2018	**$0.035**	**7,227,656**	**252,968**
Expense of issue		**-**	**(461)**
Balance at the end of the year		**251,319,868**	**21,448,698**
2017			
Balance at the beginning of the year		137,597,105	19,343,243
Issued for cash pursuant to underwritten entitlement offer – 14 and 27 October 2016	$0.015	68,798,484	1,031,977
Issued for cash pursuant to placement – 28 October 2016	$0.015	17,000,000	255,000
Expense of issue		-	(58,411)
Balance at the end of the year		223,395,589	20,571,809

(c) Share options

At the end of the year, the following options over unissued ordinary shares were outstanding:

- 1,000,000 options expiring 31 October 2019, exercisable at 2.8 cents each;
- 5,000,000 options expiring 28 November 2019, exercisable at 2.8 cents each; and
- 15,250,000 options expiring 30 November 2020, exercisable at 7.2 cents each.

(d) Terms and conditions of issued capital

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

14. *Issued Capital (Continued)*

(e) Capital management

Management controls the capital of the Company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing its financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues. There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year. The gearing ratios for the year ended 30 June 2018 and 30 June 2017 are as follows:

		Consolidated	
		2018	2017
		$	$
Total borrowings	11	**200,449**	272,956
Less cash and cash equivalents	6	**(276,936)**	(1,227,791)
Net debt		**(76,487)**	(954,835)
Total equity		**2,839,913**	3,441,751
Total capital		**2,763,426**	2,486,916
Gearing ratio		**N/A**	N/A

15. *Reserves*

Option issue reserve	**1,923,506**	1,620,756

Option issue reserve

(i) Nature and purpose of reserve
The option issue reserve is used to accumulate amounts received on the issue of options and records items recognised as expenses on valuation of incentive based share options.

(ii) *Movements in reserve*

Opening balance 1 July	**1,620,756**	1,551,256
Issue of incentive based share options	**302,750**	69,500
Closing balance 30 June	**1,923,506**	1,620,756

16. *Demerger of Subsidiary*

On 30 November 2017, at the 2017 annual general meeting, shareholders approved the demerger of Delgare Pty Ltd ("Delgare"), a wholly owned subsidiary of the Company. The Company reduced the share capital of the Company by distributing its holding of Delgare shares in specie to shareholders on a pro rata basis based on the number of shares held by eligible shareholders on 6 December 2017. The demerger was completed on 12 December 2017.

At demerger, the net assets of Delgare was cash of $100,000, resulting in the reduction of the Company's issued capital by $100,000.

	Consolidated	
	2018	**2017**
17. *Commitments*	**$**	**$**
Exploration commitments		

The Company has certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Group. These commitments have not been provided for in the accounts. Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishment of tenure or any new joint venture arrangements. Expenditure may be increased when new tenements are granted or joint venture agreements amended. The minimum expenditure commitment on the tenements is:

	2018	2017
Not later than one year	**358,000**	237,640

Operating lease commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements:

	2018	2017
Payable – minimum lease payments		
- Not later than one year	**72,617**	98,816
- After one year but not more than five years	**-**	75,264
	72,617	174,080

The property lease is a non-cancellable lease with a 24 month term commencing 1 April 2017, with rent payable monthly in advance. The lease allows for subletting of all lease areas.

The storage lease is a non-cancellable lease with a 24 month term commencing 3 April 2017. Contingent rental provisions within the lease agreement require minimum lease payments shall be increased by the consumer price index on the first anniversary date. An option exists to renew the lease at the end of the 24 month term for an additional term of 24 months.

18. *Contingent Liabilities and Assets*

Contingent liabilities

It is possible that native title, as defined in the Native Title Act 1993, might exist over land in which the Company has an interest. It is impossible at this stage to quantify the impact (if any) that the existence of native title may have on the operations of the Company. However, at the date of this report, the Directors are aware that applications for native title claims have been accepted by the Native Title Tribunal over tenements held by the Company.

Contingent assets

As disclosed in Note 8, sale of the Thaduna/Green Dragon Copper Project to Sandfire Resources NL was completed on 23 August 2016. 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.

As disclosed in Note 16, the demerger of Delgare was completed on 12 December 2017. The contingent assets of the decision to mine payment and royalty was retained by Delgare.

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

19. *Financial Reporting by Segments*

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 year ended 30 June 2018, 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 (2017: Nil) are derived from a single external customer.

20. *Related Party Transactions*

(a) Subsidiaries

The consolidated financial statements include the financial statements of Ventnor Resources Limited and the subsidiaries listed in the following table.

	County of Incorporation	**% Equity Interest**	
		2018	2017
		%	%
Delgare Pty Ltd	Australia	**-**	100
Ventnor Gold Pty Ltd	Australia	**100**	100
Ventnor Kumarina Pty Ltd	Australia	**100**	100
Ventnor Mining Pty Ltd	Australia	**100**	100
Ventnor Pilbara Pty Ltd	Australia	**100**	100

(b) Parent entity

Ventnor Resources Limited is the ultimate Australian parent entity and ultimate parent of the Group.

(c) Key management personnel

Disclosures relating to key management personnel are set out in Note 22.

21. *Parent Entity Disclosures*

(a) Summary financial information

Financial Position

	Parent	
	2018	**2017**
	$	**$**
Assets		
Current Assets	**416,308**	1,298,199
Non-current asset	**2,696,559**	2,273,122
Total assets	**3,112,867**	3,571,321
Liabilities		
Current Liabilities	**272,954**	129,746
Total liabilities	**272,954**	129,746
Equity		
Issued capital	**21,548,698**	20,571,809
Reserves	**1,923,506**	1,620,756
Accumulated losses	**(20,632,291)**	(18,750,990)
Total equity	**2,839,913**	3,441,575

Financial Performance

Loss for the year	**(1,881,301)**	(1,010,828)
Other comprehensive income	**-**	-
Total comprehensive loss	**(1,881,301)**	(1,010,828)

(b) Guarantees

Ventnor Resources Limited has not entered into any guarantees in relation to the debts of its subsidiary.

(c) Other commitments and contingencies

Ventnor Resources Limited has no commitments to acquire property, plant and equipment, and has no contingent liabilities apart from the amounts disclosed in Note 18.

(d) Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity as disclosed in Note 1 except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

22. *Director and Executive Disclosures*

(a) Details of Key Management Personnel

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the consolidated entity's key management personnel for the year ended 30 June 2018.

	Consolidated	
	2018	**2017**
	$	**$**
Short-term benefits	**148,265**	148,265
Post-employment benefits	**11,235**	11,235
Share-based payments	**223,300**	44,800
	382,800	204,300

(b) Loans with Key Management Personnel

There were no loans to key management personnel or their related entities during the financial year.

During the previous financial year, in August 2016, Mr Bruce Maluish made an interest-free unsecured loan of $100,000 to the Company. The Company repaid the loan on 5 September 2016.

(c) Other transactions with Key Management Personnel

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the year, the Company subleased office space for:
- $11,100 (2017: $11,100) to Gyoen Pty Ltd, Mr Peter Pawlowitsch's consultancy company; and
- $29,350 (2017: $16,337) to Aruma Resources Ltd, a company Mr Paul Boyatzis is a director of.

During the year, the one for eight non-renounceable rights issue of 27,924,279 fully paid ordinary shares at $0.035 each raised $977,350 (before costs). The application shares were issued on 22 December 2017 and the shortfall shares were issued on 5 January 2018. Mr Paul Boyatzis, Mr Bruce Maluish and Mr Peter Pawlowitsch subscribed for their entitlement of 281,250, 1,256,725 and 500,937 shares respectively under the rights issue offer.

During the previous financial year, the fully underwritten one for two non-renounceable rights issue of 68,798,484 fully paid ordinary shares at $0.015 each raised $1,031,977 (before costs). The application shares were issued on 14 October 2016 and the underwritten shortfall shares were issued on 27 October 2016. Mr Paul Boyatzis and Mr Peter Pawlowitsch subscribed for their entitlement of 750,000 and 1,335,833 shares respectively under the rights issue offer. Arising from the partial underwriting of the shortfall shares under the rights issue offer, Mr Bruce Maluish subscribed for 4,000,000 shares.

23. *Share Based Payments*

	Consolidated 2018 $	2017 $
(a) Value of share based payments in the financial statements		
Share based payments expensed - directors	**223,300**	44,800
Share based payments expensed - consultants	**79,450**	24,700
	302,750	69,500

(b) Summary of share-based payments

During the year, no shares were issued as share based payments.

Set out below are the summaries of options granted as share based payments:

2018

Grant Date	Expiry Date	Exercise Price	Balance 01/07/17	Granted during the year	Exercised during the year	Expired	Balance 30/06/18	Number vested and exercisable
06/11/14	02/12/17	$0.055	2,500,000	-	-	(2,500,000)	-	-
10/12/14	02/12/17	$0.055	250,000	-	-	(250,000)	-	-
02/11/16	31/10/19	$0.028	1,000,000	-	-	-	1,000,000	1,000,000
28/11/16	28/11/19	$0.028	5,000,000	-	-	-	5,000,000	5,000,000
30/11/17	30/11/20	$0.072	-	12,000,000	-	-	12,000,000	12,000,000
11/12/17	30/11/20	$0.072	-	3,250,000	-	-	3,250,000	3,250,000
			8,750,000	15,250,000	-	(2,750,000)	21,250,000	21,250,000
Weighted average exercise price			$0.036	$0.072	-	$0.055	$0.060	$0.060

2017

Grant Date	Expiry Date	Exercise Price	Balance 01/07/16	Granted during the year	Exercised during the year	Expired	Balance 30/06/17	Number vested and exercisable
06/12/13	06/12/16	$0.1548	500,000	-	-	(500,000)	-	-
06/11/14	02/12/17	$0.055	2,500,000	-	-	-	2,500,000	2,500,000
10/12/14	02/12/17	$0.055	250,000	-	-	-	250,000	250,000
02/11/16	31/10/19	$0.028	-	1,000,000	-	-	1,000,000	1,000,000
28/11/16	28/11/19	$0.028	-	5,000,000	-	-	5,000,000	5,000,000
			3,250,000	6,000,000	-	(500,000)	8,750,000	8,750,000
Weighted average exercise price			$0.070	$0.028	-	$0.1548	$0.036	$0.036

23. *Share Based Payments (Continued)*

The assessed fair values of the options was determined using a binomial option pricing model or black-scholes model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underling share, expected yield and the risk-free interest rate for the term of the option. The inputs to the model used were:

Grant date	06/11/14	10/12/14	02/11/16	28/11/16	30/11/17	11/12/17
Dividend yield (%)	-	-	-	-	-	-
Expected volatility (%)	100%	100%	100%	100%	100%	100%
Risk-free interest rate (%)	2.545%	2.260%	1.690%	1.885%	1.890%	1.965%
Expected life of options (years)	3	3	3	3	3	3
Underlying share price ($)	$0.051	$0.040	$0.023	$0.020	$0.040	$0.037
Option exercise price ($)	$0.055	$0.055	$0.028	$0.028	$0.072	$0.072
Value of option ($)	$0.0313	$0.02256	$0.0135	$0.0112	$0.0203	$0.0182

(c) Weighted average remaining contractual life

The weighted average remaining contractual life of share-based payment options that were outstanding as at 30 June 2018 was 2.134 years (2017: 1.780 years).

(d) Weighted average fair value

The weighted average fair value of share-based payment options granted during the year was $0.01985 each (2017: $0.01158).

24. *Financial Risk Management*

The Consolidated entity's principal financial instruments comprise receivables, payables, loans, cash and short-term deposits. The Consolidated entity manages its exposure to key financial risks in accordance with the Consolidated entity's financial risk management policy. The objective of the policy is to support the delivery of the Consolidated entity's financial targets while protecting future financial security.

The main risks arising from the Consolidated entity's financial instruments are interest rate risk, credit risk and liquidity risk. The Consolidated entity does not speculate in the trading of derivative instruments. The Consolidated entity uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Ageing analysis of and monitoring of receivables are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 1 to the financial statements.

Risk Exposures and Responses

Interest Rate Risk

The Consolidated entity's exposure to risks of changes in market interest rates relates primarily to the Consolidated entity's cash balances. The Consolidated entity constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. As the Company has no variable interest rate bearing borrowings its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

At balance date, the Consolidated entity had the following financial assets exposed to variable interest rates that are not designated in cash flow hedges:

	Consolidated	
	2018	**2017**
	$	**$**
Financial Assets		
Cash and cash equivalents (interest-bearing accounts)	**256,756**	1,168,960
Net exposure	**256,756**	1,168,960

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

24. *Financial Risk Management (Continued)*	Consolidated	
	2018	**2017**
	$	**$**

At 30 June, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity relating to financial assets of the Consolidated entity would have been affected as follows:

Judgements of reasonably possible movements:		
Post tax profit – higher / (lower)		
+ 0.5%	**1,284**	5,845
- 0.5%	**(1,284)**	(5,845)
Equity – higher / (lower)		
+ 0.5%	**1,284**	5,845
- 0.5%	**(1,284)**	(5,845)

Liquidity Risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other available credit lines.

The Consolidated entity manages liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

Credit risk

Credit risk arises from the financial assets of the Consolidated entity, which comprise deposits with banks and trade and other receivables. The Consolidated entity's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. The carrying amount of financial assets included in the statement of financial position represents the Consolidated entity's maximum exposure to credit risk in relation to those assets.

The Consolidated entity does not hold any credit derivatives to offset its credit exposure.

The Consolidated entity trades only with recognised, credit worthy third parties and as such collateral is not requested nor is it the Consolidated entity's policy to secure its trade and other receivables.

Receivable balances are monitored on an ongoing basis with the result that the Consolidated entity does not have a significant exposure to bad debts.

The Consolidated entity's cash deposits are held with a major Australian banking institution otherwise, there are no significant concentrations of credit risk within the Consolidated entity.

24. *Financial Risk Management (Continued)*

The following table details the expected maturity of the Group's financial assets and liabilities based on the earliest date of maturity or payment respectively. The amounts are stated on an undiscounted basis and include interest.

Consolidated	Weighted average effective interest rate %	Less than 1 month $	1 – 3 Months $	3 months – 1 year $	1 – 5 years $
2018					
Financial Assets:					
Non-interest bearing	**-**	**173,727**	**-**	**2,583**	**-**
Variable interest rate	**0.40**	**256,756**	**-**	**-**	**-**
Fixed interest rate	**2.30**	**-**	**-**	**42,601**	**-**
		430,483	**-**	**45,184**	**-**
Financial Liabilities:					
Non-interest bearing	**-**	**200,449**	**-**	**-**	**-**
		200,449	**-**	**-**	**-**
2017					
Financial Assets:					
Non-interest bearing	-	184,698	-	-	2,583
Variable interest rate	0.50	1,168,960	-	-	-
Fixed interest rate	2.12	-	-	-	42,047
		1,353,658	-	-	44,630
Financial Liabilities:					
Non-interest bearing	-	272,956	-	-	-
		272,956	-	-	-

Capital Management Risk

Management controls the capital of the Consolidated entity in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern.

Management effectively manages the Group's capital by assessing the Consolidated entity's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure and debt levels and share and option issues.

There have been no changes in the strategy adopted by management to control capital of the Consolidated entity since the prior year.

Commodity Price and Foreign Currency Risk

The Consolidated entity's exposure to price and currency risk is minimal given the Consolidated entity is still in the exploration phase.

Fair Value

The methods of estimating fair value are outlined in the relevant notes to the financial statements. All financial assets and liabilities recognised in the statement of financial position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair values unless otherwise stated in the applicable notes.

25. *Events Subsequent to Year End*

There are no matters or circumstances that have arisen since 30 June 2018 that have or may significantly affect the operations, results, or state of affairs of the Company in future financial years other than:

Wisecat Acquisition
On 30 July 2018, the Company announced that it had acquired Wisecat Pty Ltd ("Wisecat") for the consideration of 8,333,333 fully paid ordinary shares in the Company ("Ventnor Shares"). The shares were issued to Goldfire Enterprises Pty Ltd ("Goldfire"), the sole shareholder of Wisecat, on 1 August 2018.

Muchea Tenement Acquisition
Wisecat entered into a tenement acquisition agreement with Australian Silica Pty Ltd ("Australian Silica") to purchase the Muchea Tenement (E70/4886) on the following terms:

- Initial issue of 10,000,000 Ventnor Shares to Australian Silica, issued on 1 August 2018.
- Issue, subject to shareholder approval, 55,000,000 Ventnor Shares and 20,000,000 options, at an issue price of 0.001 cent per option. Each option is exercisable into Ventnor Shares on or before 30 June 2021 at 10 cents. Shareholder approval was obtained on 14 September 2018 and the shares and options were issued to Australian Silica on 19 September 2018.
- In addition to the above, the Company will pay Australian Silica an ongoing net production royalty of 1%.

Share Placement
In conjunction with the Wisecat Acquisition and the Muchea Tenement Acquisition the Company received firm commitments for a placement of 40,000,000 shares at an issue price of 6 cents each to raise approximately $2,400,000 (before costs).

The placement comprised:

c) a first tranche of 36,550,000 shares issued to investors on 1 August 2018; and
d) a second tranche of 3,450,000 shares issued to the Directors on 19 September 2018, after shareholder approval was obtained on 14 September 2018.

Facilitation Options
On 19 September 2018, the Company issued 5,000,000 options, exercisable at 10 cents each and expiring on 30 June 2021, to Goldfire, in consideration for Goldfire assisting in facilitating the transaction structure for the acquisition of the Muchea Tenement.

Consultants Options
On 25 September 2018, the Company issued 5,500,000 options exercisable at 10 cents each on or before 30 November 2021, to consultants for no consideration.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, are in accordance with the *Corporations Act 2001* and:

  a. Comply with Accounting Standards, which, as stated in accounting policy Note 1(c) to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

  b. Give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Consolidated Entity;

2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. The directors have been given the declarations required by s295A of the *Corporation Act 2001* from the Managing Director and Chief Financial Officer.

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

Bruce Maluish
Director

Perth, 28 September 2018

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

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

Opinion

We have audited the financial report of Ventnor Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Carrying Value of Deferred Exploration Expenditure Refer to Note 10 in the financial statements	
The Group has capitalised a significant amount of deferred exploration expenditure, with a carrying value of $2,634,453 as at 30 June 2018. We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the assets including: • Determination of whether the exploration and evaluation expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest; • Assessing whether any indicators of impairment are present; and • Assessing whether exploration activities have reached a stage at which the existence of an economically recoverable reserves may be determined.	Our audit procedures in relation to the carrying value of deferred exploration expenditure included: • Obtaining evidence that the Group has valid rights to explore in the specific area; • Reviewing and enquiring with management the basis on which they have determined that the exploration and evaluation of mineral resources has not yet reached the stage where it can be concluded that no commercially viable quantities of mineral resources exists; • Enquiring with management and reviewing budgets and plans to test that the Group will incur substantive expenditure on further exploration for and evaluation of mineral resources in the specific area; • Reviewing whether management has received sufficient data to conclude that the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale; and • Reviewing minutes of director meetings and Australian Securities Exchange announcements to ensure that the Group has not resolved to discontinue activities in the specific area of interest.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Ventnor Resources Limited, for the year ended 30 June 2018, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM AUSTRALIA PARTNERS

AWhyte

ALASDAIR WHYTE
Partner

Perth, WA
Dated: 28 September 2018

RSM Australia Partners

Level 32 Exchange Tower,
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Ventnor Resources Limited for the year ended 30 June 2018, 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM
RSM AUSTRALIA PARTNERS

AWhyte
ALASDAIR WHYTE
Partner

Perth, WA
Dated: 28 September 2018

HOLDINGS AS AT 26 SEPTEMBER 2018

Number of Securities Held	FULLY PAID SHARES No. of Holders	No. of Shares
1 to 1,000	71	27,571
1,001 to 5,000	101	322,160
5,001 to 10,000	136	1,155,679
10,001 to 100,000	554	23,580,692
100,001 and over	327	339,567,099
Total Number of Holders	1,189	364,653,201
Number of holders of less than a marketable parcel	131	158,056
Percentage of the 20 largest holders		53.32%

Substantial Shareholders

The company has been notified of the following substantial shareholdings:

	Number
Australian Silica Pty Ltd	65,000,000
Peter Pawlowitsch	21,508,436
Goldfire Enterprises Pty Ltd	20,642,678
Peter Woodland	15,416,156

Voting Rights

The Constitution of the company makes the following provision for voting at general meetings:

On a show of hands, every ordinary shareholder present in person, or by proxy, attorney or representative has one vote. On a poll, every shareholder present in person, or by proxy, attorney or representative has one vote for any share held by the shareholder.

20 Largest Holders of Securities as at 26 September 2018:

Fully Paid Ordinary Shares

		Number	%
1.	AUSTRALIAN SILICA PTY LTD	65,000,000	17.83
2.	MR PETER ROBERT WOODLAND	16,511,156	4.53
3.	MOSCH PTY LTD	14,999,999	4.11
4.	AURO PTY LTD	13,566,276	3.72
5.	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	10,833,333	2.97
6.	GOLDFIRE ENTERPRISES PTY LTD	8,462,324	2.32
7.	GOLDFIRE ENTERPRISES PTY LTD	7,500,000	2.06
8.	MASH SUPER PTY LTD <MALUISH ENGLISH S/F A/C>	6,250,000	1.71
9.	MR BRUCE DENNIS MALUISH	6,060,535	1.66
10.	ONE MANAGED INVESTMENT FUNDS LIMITED <TECHNICAL INVESTING ABSOLUTE R>	5,938,474	1.63
11.	HAVEN SUPER PTY LTD <HAVEN SUPER A/C>	5,383,437	1.48
12.	BROWN BRICKS PTY LTD <HM A/C>	4,446,667	1.22
13.	AUSTRALIAN INTERNATIONAL SERVICES PTY LTD	4,365,895	1.20
14.	MR DAVID ROBERT WOODLAND	4,005,000	1.10
15.	PLASIA PTY LTD <THE SCHWANN FAMILY SF A/C>	4,000,000	1.10
16.	ANDREW MALUISH SUPER PTY LTD <ANDREW MALUISH S/FUND A/C>	3,750,770	1.03
17.	PARLIN INVESTMENTS PTY LTD <PARLIN DISCRETIONARY A/C>	3,700,025	1.01
18.	GROSVENOR PIRIE MANAGEMENT LTD <GROSVENOR P INV FUND 3 A/C>	3,461,833	0.95
19.	MR WAYNE STEPHEN CLARK	3,190,000	0.87
20.	BEDEL & SOWA CORP PTY LTD	3,000,000	0.82
		194,425,724	**53.32**

Unlisted Options

Details of unlisted option holders are as follows:

Class of unlisted options	Number of Options	Number of Holders
Options exercisable at 2.8 cents each on or before 30 October 2019	1,000,000	4
Holdings of more than 20% of this class		
- Terence Abel	250,000	
- Darren Holden	250,000	
- Mandevilla Pty Ltd	250,000	
- David Thomas Reid	250,000	
Options exercisable at 2.8 cents each on or before 28 November 2019	5,000,000	4
Holdings of more than 20% of this class		
- Bruce Maluish	2,000,000	
Options exercisable at 7.2 cents each on or before 30 November 2020	15,250,000	9
Holdings of more than 20% of this class		
- Bruce Maluish	5,000,000	
Options exercisable at 10 cents each on or before 30 June 2021	25,000,000	2
Holdings of more than 20% of this class		
- Australian Silica Pty Ltd	20,000,000	
- Goldfire Enterprises Pty Ltd	5,000,000	
Options exercisable at 10 cents each on or before 30 November 2021	15,250,000	5
Holdings of more than 20% of this class		
- Parlin Investments Pty Ltd	2,500,000	
-		

Restricted Securities

The company does not have any restricted securities on issue as at the date of this report.

On-market Buy-back

Currently there is no on-market buy-back of the Company's securities.

Consistency with business objectives

The company has used its cash and assets in a form readily convertible to cash that it had at the time of listing in a way consistent with its stated business objectives.

WESTERN AUSTRALIA

Warrawanda Project - Nickel

Tenement	Status	Holder / Applicant	Interest (%)
E52/2372	Granted	Ventnor Pilbara Pty Ltd	100
E52/3447	Granted	Ventnor Pilbara Pty Ltd	100

Biranup Project – Base Metals/Gold

Tenement	Status	Holder / Applicant	Interest (%)
E39/1828	Granted	Ventnor Gold Pty Ltd	100
E39/2000	Granted	Ventnor Gold Pty Ltd	100
E39/2001	Granted	Ventnor Gold Pty Ltd	100
E39/2003	Granted	Ventnor Gold Pty Ltd	100
E38/3191	Granted	Ventnor Gold Pty Ltd	100
E38/3294	Granted	Ventnor Gold Pty Ltd	100

Arrowsmith Project – Silica

Tenement	Status	Holder / Applicant	Interest (%)
E70/4986	Granted	Ventnor Mining Pty Ltd	100
E70/4987	Granted	Ventnor Mining Pty Ltd	100
E70/5027	Granted	Ventnor Mining Pty Ltd	100
E70/5109	Granted	Ventnor Mining Pty Ltd	100
E70/5197	Application	Ventnor Mining Pty Ltd	100

Muchea Project – Silica

Tenement	Status	Holder / Applicant	Interest (%)
E70/4886	Granted	Wisecat Pty Ltd	100
E70/5157	Application	Ventnor Resources Ltd	100