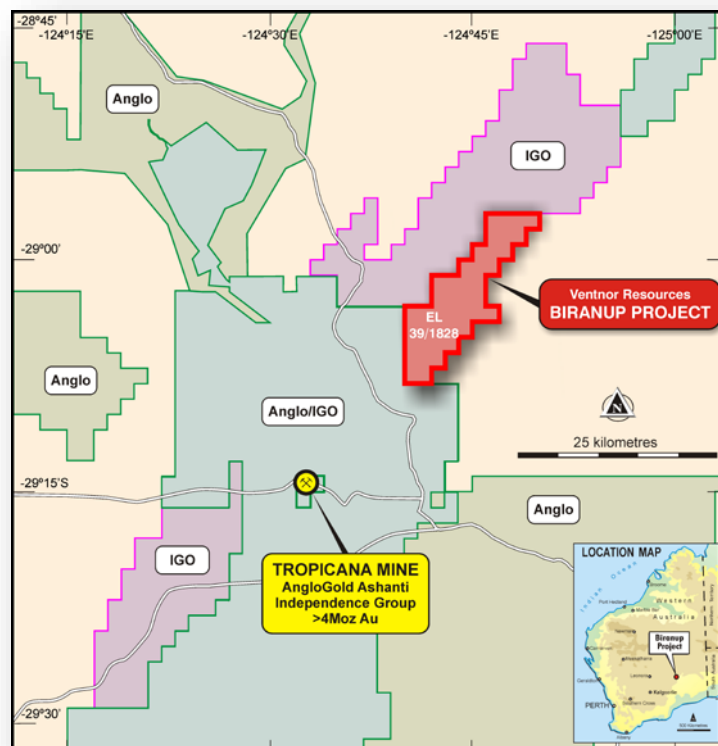


## Ventnor Resources Ltd September Quarter Activities

During the quarter, Ventnor Resources Ltd (“Ventnor” or “the Company”) continued work on the evaluation of the database collated on what had originally been known as the Black Dragon Project in Western Australia, since renamed the Biranup Project, initially acquired by Ventnor in March 2015.

The Biranup Project is located 370 kilometres north-east of Kalgoorlie, and 22 kilometres north-east of AngloGold Ashanti’s (70%) and Independence Group’s (30%) Tropicana Gold mine, a project with a gold Resource in excess of four million ounces.



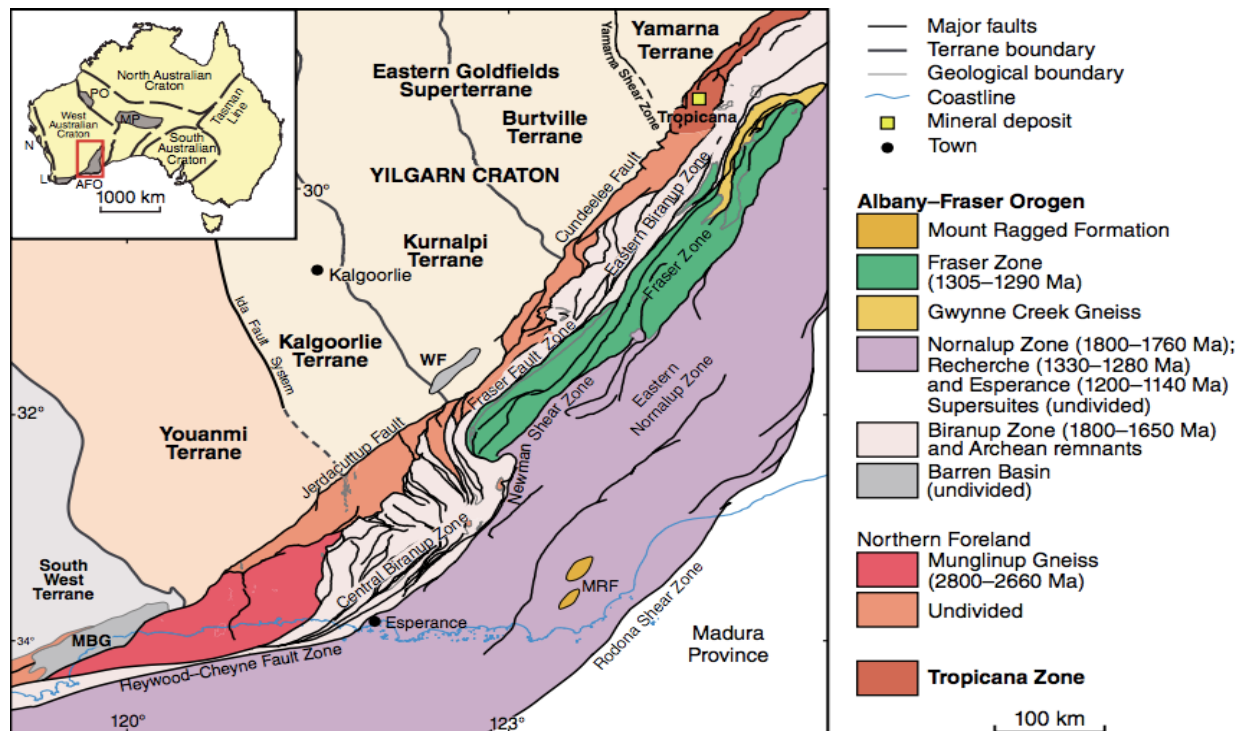
The Biranup tenement, E39/1828, consists of 42 graticular blocks or 140 sq kms. Work by Ventnor has identified multiple exploration targets prospective for various minerals as well as gold. The overall project name Biranup encompasses these 42 blocks, which include, among others, Black Dragon.

Since the grant of the tenement, the Company has collected a significant database from previous exploration which assists in evaluating the mineralisation potential of the tenement. Recent ongoing work is aimed at identifying drill targets.

The database includes assays of soil samples, auger samples, AC, RC, and diamond drilling results, along with a significant geophysical database including gravity/mag and EM surveys.

The Company has used specialists to evaluate all of the components of the database and has examined concurrent anomalies.

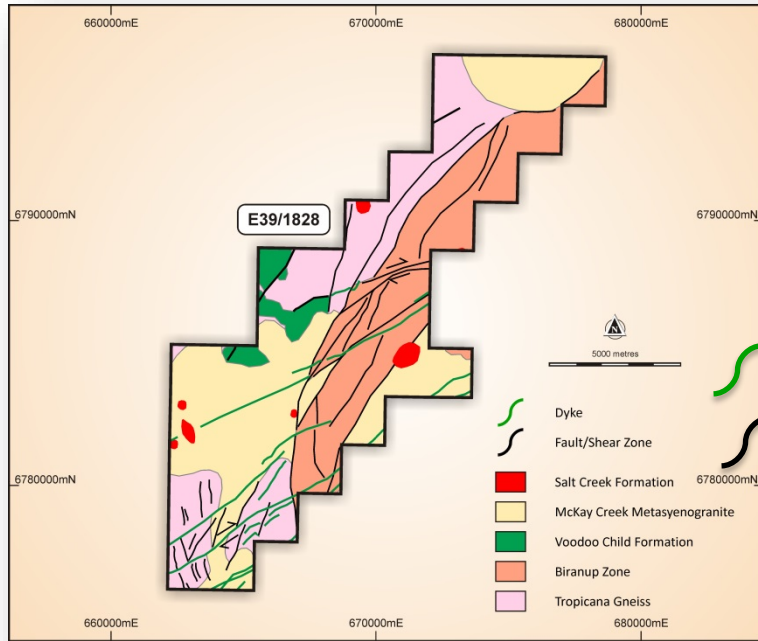
In addition to the geological knowledge of the tenement, Ventnor has been able to re-interpret the regional basement geology, isolating a promising gold anomaly, and identifying an anomalous NiCu zone.



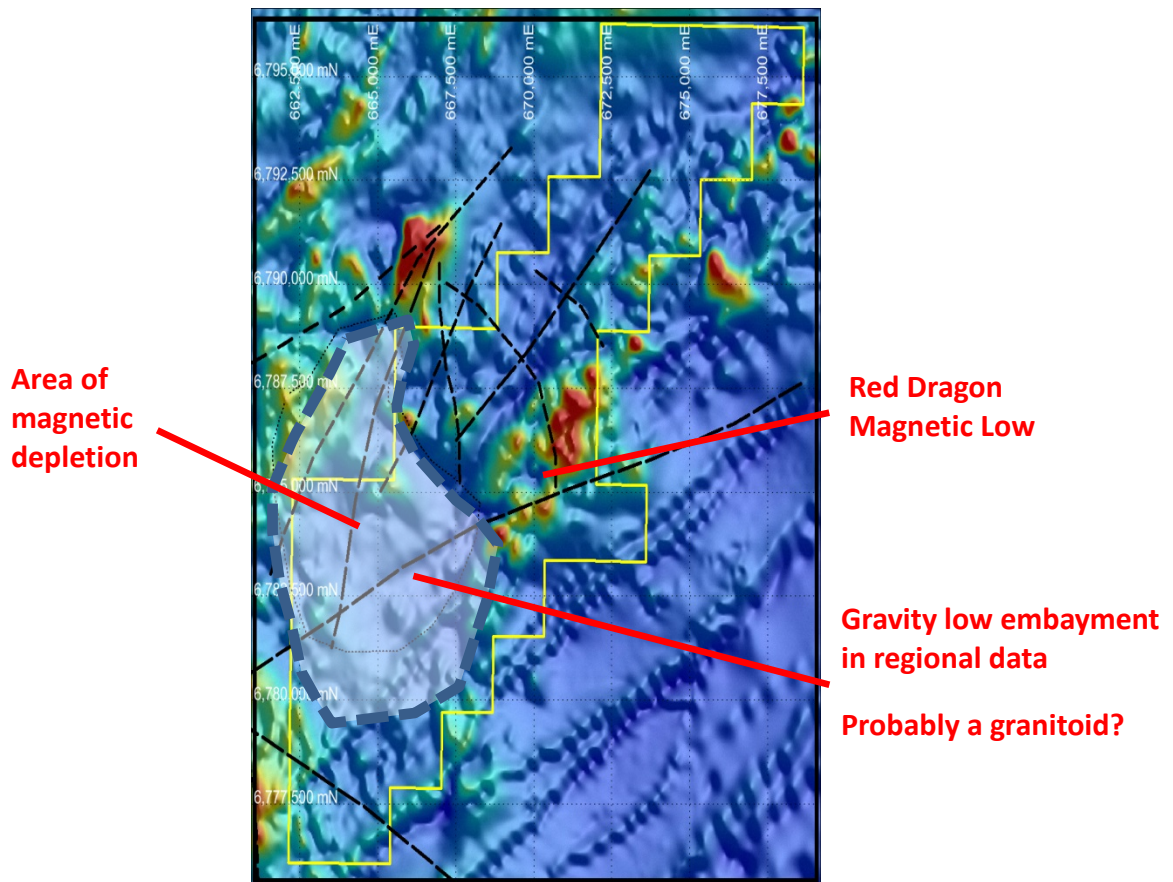
The basement geology has been re-evaluated at project scale using available drill data; a new interpretation has highlighted an area to the west of the tenement with a subdued magnetic response which coincides with a low embayment in the regional gravity data. The potential for a granitoid intrusion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

The new interpretation has identified three mineralisation styles:

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



***New basement geology interpretation***



***Magnetic background image with area of subdued magnetism and gravity low (blue dash line) postulated to be a granitoid intrusion.***

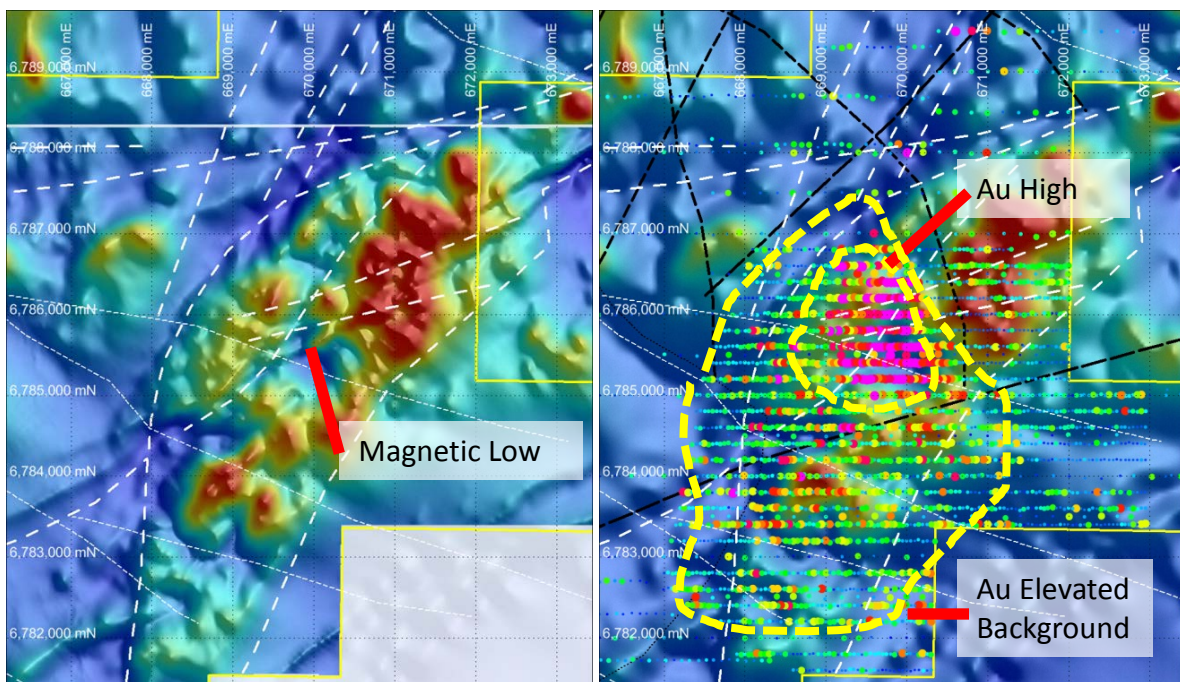


## Red Dragon - Gold

Evaluation of the geophysical and geochemistry databases has identified a compelling gold anomaly.

The anomaly is situated within a demagnetised zone with an elevated background of gold in geochemistry. The deepest hole drilled previously within the anomaly is isolated and includes 1 metre at 13.4 g/t Au from 147 metres down a 60° inclined RC hole.

Further work planned includes a gradient array IP survey and drill holes to follow up the previously identified high-grade anomaly.

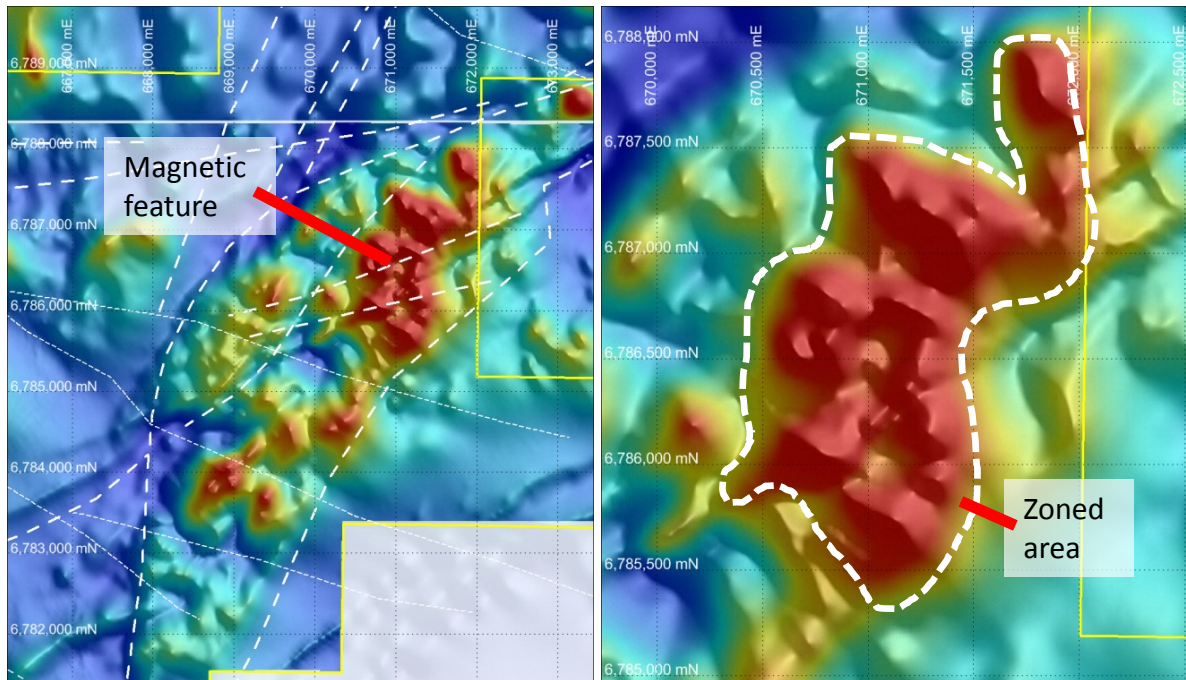


**Figure Left - magnetic reduced to pole image of the Red Dragon area with significant magnetic breaks (faults) in white dash lines.**

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

## Silver Dragon – Cu-Ni Anomaly

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

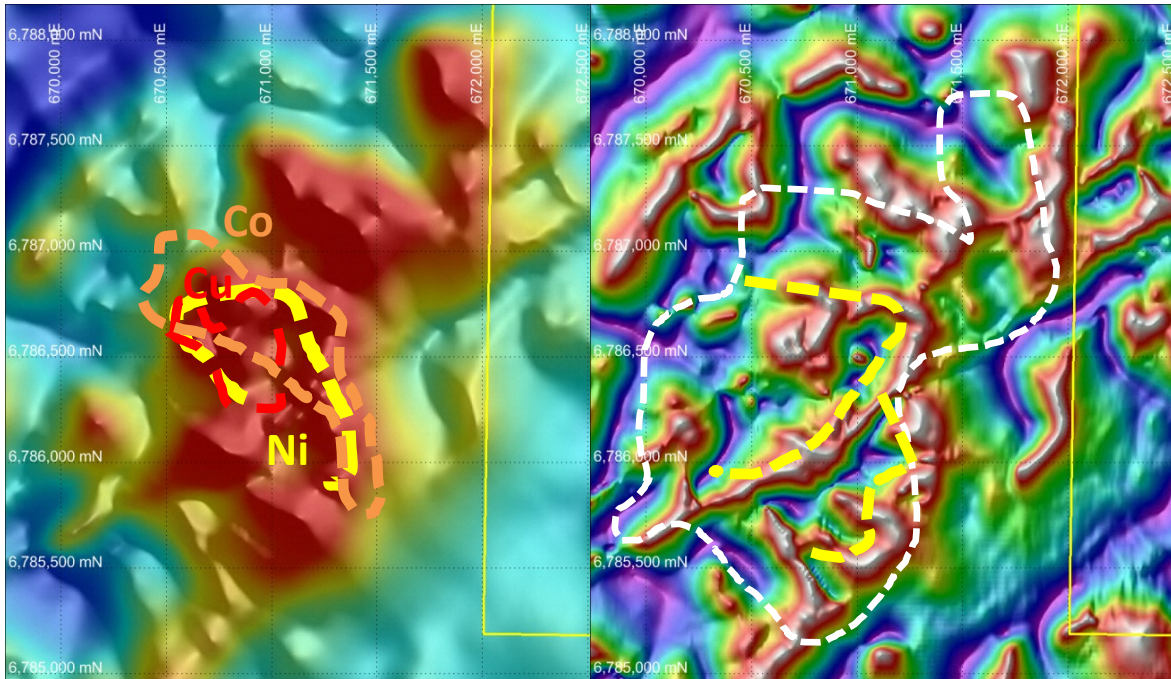


**Figure Left - magnetic reduced to pole image of the Red Dragon area with significant magnetic breaks (faults) in white dash lines.**

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

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



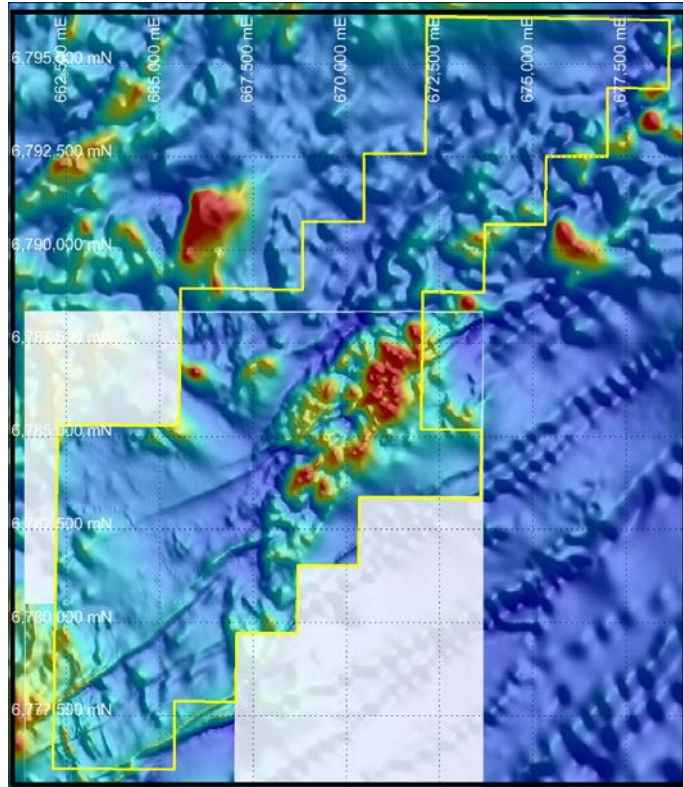


**Figure Left - magnetic reduced to pole image of zoned magnetic high area with dash outlines showing the location of the copper, cobalt, and nickel anomalies in soils in an area 3km by 2km.**

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

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

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



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

**Detailed Information**

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

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

***Historic exploration conducted on EL39/1828***

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

Immediately after the tenement was granted, Ventnor commenced field checking and data analysis work, and within six months had completed a maiden RC drilling program on the Black Dragon outcrop which produced high-grade assay results including 9 metres at 7.08g/t Au in BDR1001 and 6 metres at 3.02g/t Au in BDR1026 (*ASX announcement 16<sup>th</sup> November 2015 – “Black Dragon Exploration Update”*). Whilst this drilling program hasn't yet resulted in an economic resource, it did confirm the presence of gold mineralisation at higher grades than previous drilling, supporting the Company's view regarding the remaining prospectivity of the tenement.

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

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

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

### **SPECTREM system specifications**

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

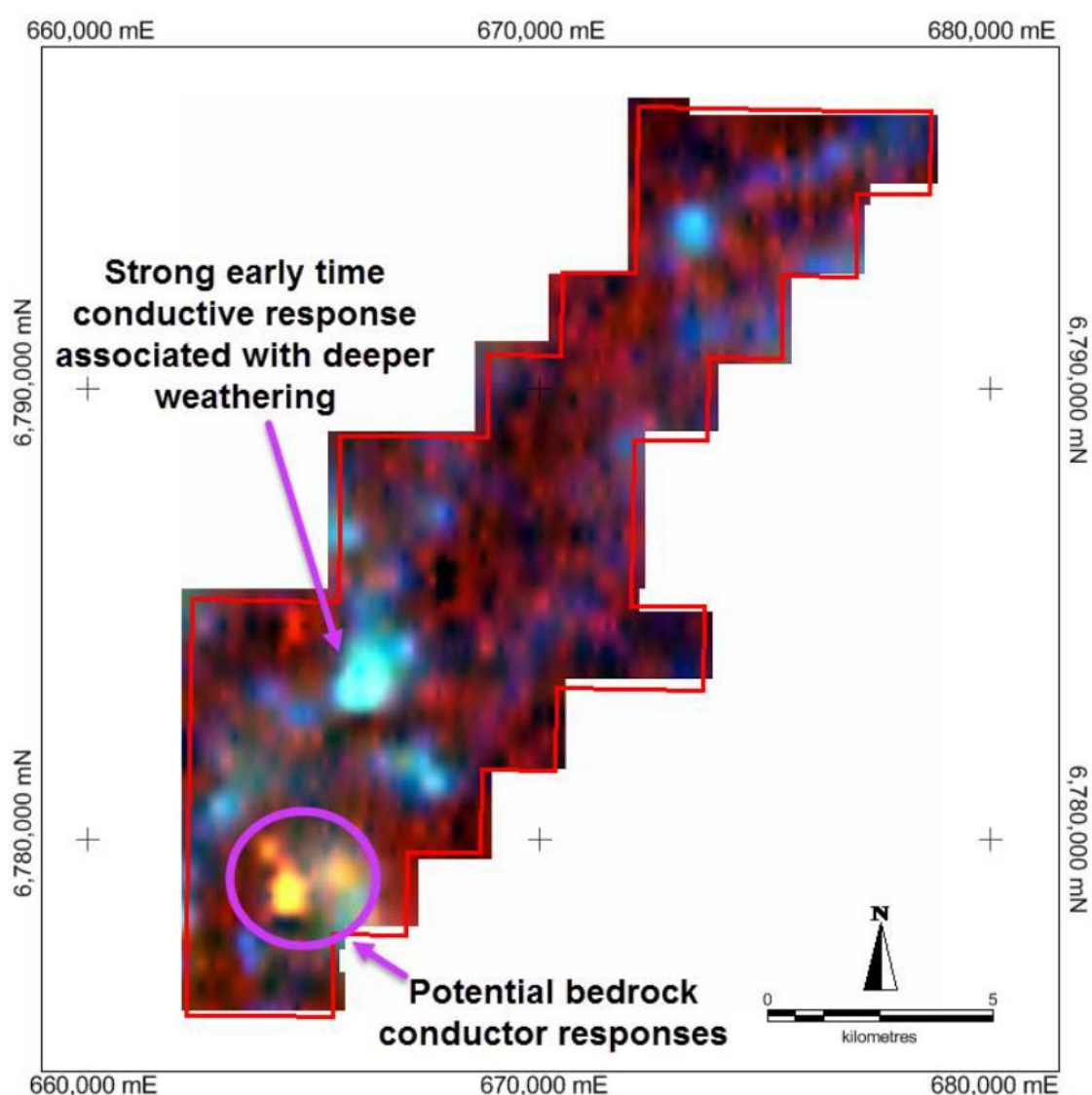


## Fire Dragon – EM Anomaly

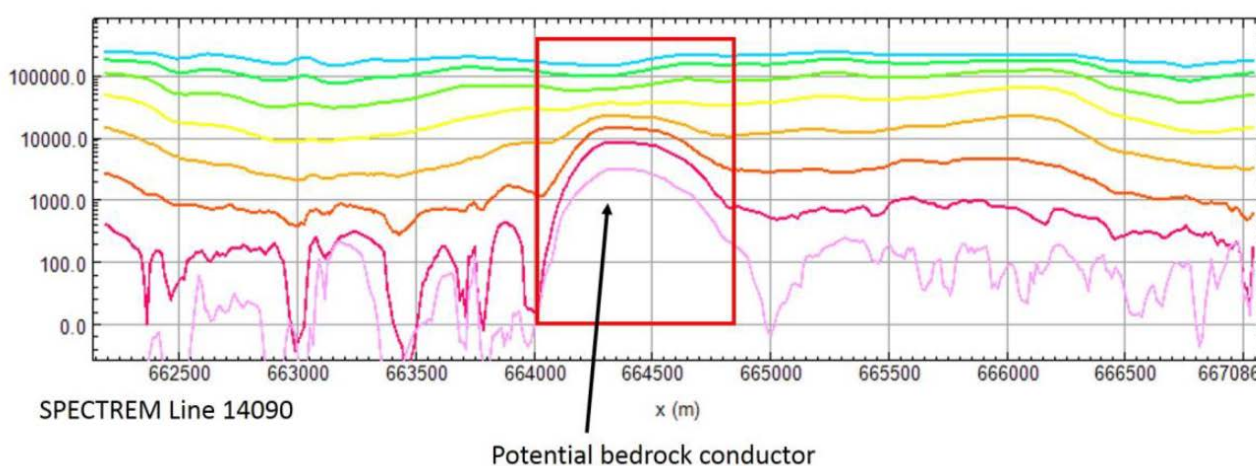
The review of the SPECTREM survey data highlighted a number of EM responses which warrant follow-up work. An additional exploration target has been highlighted at **Fire Dragon** which has been included for a further on-ground MLEM Survey to be conducted concurrently with the Silver Dragon survey.

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

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



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



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

### **Thaduna/Green Dragon Copper Project JV**

The Thaduna Project is located 40km east of DeGrussa and represents the largest copper resource in the Doolgunna-Bryah Basin Region outside of Sandfire's DeGrussa-Doolgunna Project (7.9Mt@1.8% Cu for 142,000 tonnes of contained copper).

On 22 August 2016 the ASX was advised that Ventnor Resources Ltd (Ventnor), Delgare Pty Ltd (Delgare) (a wholly owned subsidiary of Ventnor), and Sandfire Resources NL (Sandfire) had executed an agreement for Sandfire to purchase the remaining 65% of the Thaduna /Green Dragon Copper Project on the following terms:

On settlement, a transfer of Sandfire shares to Ventnor or its nominee to a value of \$1,700,000, further payment of \$950,000 if Sandfire proceeds with a decision to mine from the Project and a 1.8% 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 sale agreement has been structured to produce the same or very similar outcomes to those of the JV once mining of the resource commences. It also provides for an immediate injection of funds into Ventnor and allows management to concentrate on advancing its prospects at the Biranup Project where Ventnor has some compelling gold and copper-nickel prospects.



Part of the agreement settlement will be advanced to LinQ Corporate Pty Ltd in return for LinQ releasing Ventnor in full from the contingent liability under a previous Deed of Settlement.

### **Events Subsequent to the Quarter**

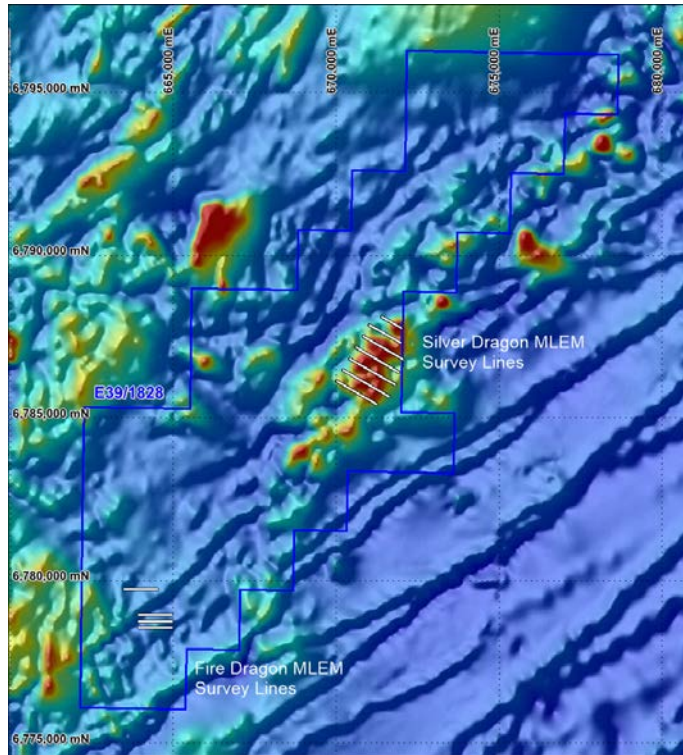
On 13 October Ventnor announced that the company was commencing geophysical surveys at its Silver Dragon and Fire Dragon prospects in the Biranup Project area, as it seeks to develop drill-ready targets.

The two target surveys to be completed at Biranup will utilise Moving Loop Electromagnetic (MLEM) geophysical technology to investigate the prospective areas.

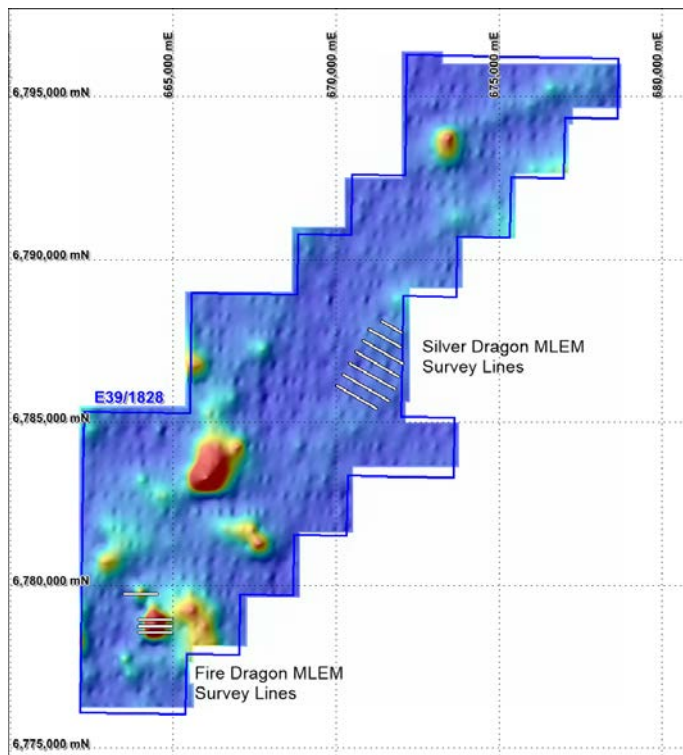
### **MLEM Program**

Ventnor is planning to undertake an MLEM survey over each of these areas; the images below show the planned survey over the airborne magnetic and SPECTREM images.

MLEM involves moving a generator, transmitter and large wire-loop that are used to generate an electromagnetic field within the subsurface to energise any conductive bodies that may occur nearby. A sensor is located in the middle of the loop and records the decay of the induced electromagnetic field to detect anomalous responses that can be associated with semi-massive to massive sulphide mineralisation. The transmitting loop and sensor are moved together, typically along survey lines, to explore for conductive bodies within a project area.



***Proposed MLEM survey over magnetic image.***



***Proposed MLEM survey over SPECTREM electromagnetic image***



It is expected that results from the surveys will be available in early November, and following interpretations, may generate targets that the Company will consider drilling to advance the project.

### **Competent Person's Statement**

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

### **Corporate**

On 19 September Ventnor announced a one for two non-renounceable rights issue of approximately 68,798,552 fully paid ordinary shares to eligible shareholders to raise approximately \$1.032 million (before costs) at 1.5 cents per share.

On 14 October Ventnor announced the issue of 26,582,816 fully paid ordinary shares to subscribers to the non-renounceable rights issue. On 27 October Ventnor announced the issue of 42,235,668 fully paid ordinary shares to clients of CPS Capital Group, the underwriter to the offer.

### **Corporate Events Subsequent to the Period**

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

## Interests in Mining Tenements

### WESTERN AUSTRALIA

#### Warrawanda Project - Nickel

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

#### Black Dragon Project - Gold

Tenement	Status	Interest at beginning of quarter (%)	Interests relinquished, reduced or lapsed (%)	Interests acquired or increased (%)	Interest at end of quarter (%)
E39/1828	Granted	100	-	-	100

#### Thaduna/Green Dragon Project - Copper

Tenement	Status	Interest at beginning of quarter (%)	Interests sold to JV partner (%)	Interests acquired or increased	Interest at end of quarter (%)
M52/1060	Granted	65	65	-	-
M52/1061	Granted	65	65	-	-
L52/149	Granted	65	65	-	-
L52/150	Granted	65	65	-	-