



Ventnor Resources Limited

12 May 2014

ASX ANNOUNCEMENT

SANDFIRE COMMENCES DRILLING AT THADUNA

On 4 December 2013 Australian base-metals company Ventnor Resources Limited (ASX: VRX) (**Ventnor** or **Company**) advised the market that the Company and Sandfire Resources NL (ASX: SFR) (**Sandfire**) had executed a landmark transaction (**Transaction**) designed to fast-track Ventnor's Thaduna/Green Dragon Copper Project (**Project**) into production while removing the need for Ventnor to raise additional funding for mine development.

The Thaduna/Green Dragon Project is located 40km east of DeGrussa and represents the largest copper resource in the Doolgunna District outside of Sandfire's DeGrussa-Doolgunna Project.

Sandfire has been assessing two development opportunities at the Thaduna Project. An oxide project, with ore to be treated through the proposed DeGrussa Copper Oxide Heap Leach and a sulphide project, with ore to be treated through the existing DeGrussa Flotation Processing Plant.

Since Ventnor's ASX listing on 24th February 2011 more than 65,000 metres of RC and diamond core has been drilled at Thaduna/Green with supporting metallurgical testwork and assays. All of the project data and surviving core has been transferred to the Sandfire team.

Sandfire are currently reviewing the project data to validate the existing JORC Resource and updating the structural model.

Sandfire has confirmed the commencement of their first drilling program at Thaduna.

The program is planned to provide diamond core for assay and metallurgical testwork, with;

- **Shallow dipping diamond drilling directly under the existing Thaduna pit;**
- **Nine drill holes for 935 metres with PQ sized core;**
- **Drilling taking approximately three weeks; and**
- **Metallurgical testwork program subject to mineralisation encountered in an expected transition zone.**

Details on results will be announced following the completion of the program.

ASX: VRX

Capital Structure

Shares on Issue 118.3 million

Unlisted Options 3.3 million

Market Cap @ 4¢ \$4.7 million (Fully Diluted)

Corporate Directory

Paul Boyatzis

Non-Executive Chairman

Bruce Maluish

Managing Director

Peter Pawlowitsch

Non-Executive Director

John Geary

Company Secretary

Company Projects

Thaduna/Green Dragon Copper Project in the Doolgunna district, WA (Subject to SFR Farm-in)

Warrawanda Nickel Project south of Newman, WA

Georgina Basin IOCG Project in western Queensland

The Company is actively assessing other base metal projects in Australia

Level 1, 6 Thelma Street, West Perth WA 6005

t: +61 8 9226 3780 f: +61 8 9226 3764 e: info@ventnorresources.com.au www.ventnorresources.com.au

ABN 59 142 014 873

Sandfire initially acquired the 35% interest in the Project by paying \$3M upfront directly to Ventnor. Sandfire can then acquire an additional 16% (total 51%) for the second \$3M, and 29% (total 80%) for the third \$3M. The second and third tranches will be spent as exploration and development expenditure on the Project. Ventnor retains an option to acquire Sandfire's interest if Sandfire fails to commence production from the Project within five years.

The Transaction allowed the Company to form a joint venture with Sandfire and assess the possibility of developing the Project utilising Sandfire's existing plant and infrastructure. This will substantially reduce the overall capital required and potentially bring forward the timing of achieving first production and cash flow by a meaningful period. It removes the need for Ventnor to raise substantial finance (either equity or debt) and at the same time reduces the risk of project feasibility and development through a farm out and funding solution coupled with a toll milling arrangement at a low operating cost. Once in production Ventnor is required to repay its share of the development costs in excess of the earn-in amount from free cash flow. Ventnor is then free to receive what it expects will be a significant quarterly dividend from the Joint Venture.

ABOUT VENTNOR

Ventnor Resources is a base-metals focused explorer with a JV with Sandfire Resources NL at the historic Thaduna/Green Dragon project, 170 km north of Meekatharra in Western Australia.

The Thaduna/Green Dragon 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).

Also in Western Australia, 40 km south of Newman is the Warrawanda nickel project. In western Queensland, the Georgina Basin project lies within the Mt Isa Inlier, which is well endowed with Iron Oxide Copper Gold ("IOCG") systems and sulphide base-metal deposits.

Known Copper and Nickel Mineralisation

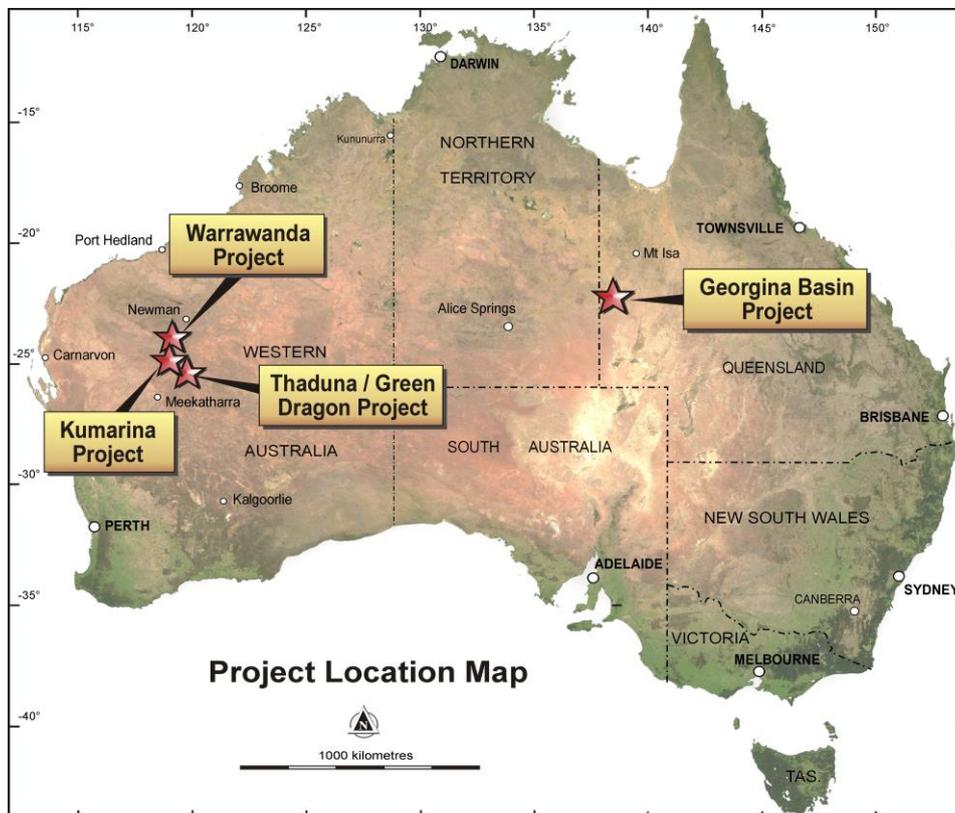
The Thaduna/Green Dragon copper project has historic mine production; copper mineralisation has been confirmed with four phases of exploration drilling; a Scoping Study has confirmed the economic potential of the project. A farm-in deal has been transacted with Sandfire Resources to develop the project and to treat ore. The prospectivity of the Warrawanda nickel project was increased when nickel gossans were identified in recent years. Further work is planned for 2014.

Proven Management

The Ventnor directors have extensive experience in the management of publicly listed mining and exploration companies.

The Company is actively seeking and evaluating other base metals projects in Australia.

PROJECT LOCATIONS



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