Ventnor Resources Limited

The following is a summary of the activities of Ventnor Resources Limited (ASX: VRX) (**Ventnor** or the **Company**) for the quarter ending 31 March 2018.

Exploration

During the quarter, the Company released results of an initial testwork program on samples collected in December 2017 from the Company's Arrowsmith Silica Sand Project (*refer ASX announcement dated 30 January 2018 titled 'Arrowsmith Silica Sands Project Test Work'*).

Ventnor's Arrowsmith Silica Sands Project is located 270km north of Perth, Western Australia, originally consisting of four exploration license applications pending totalling 400km^2 and holding significant sand deposits. Subsequent to the quarter two license applications have been granted. Figure 1 shows the project location and sets out tenement details. The project is adjacent to Brand Highway and a rail connection to Geraldton Port, suitable for bulk handling.

In December 2017 Ventnor conducted a shallow hand auger program at the Arrowsmith North prospect to collect composite representative samples which were submitted to Nagrom Laboratories for an initial testwork program, which would emulate conventional sand processing techniques.

This testwork confirmed 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.

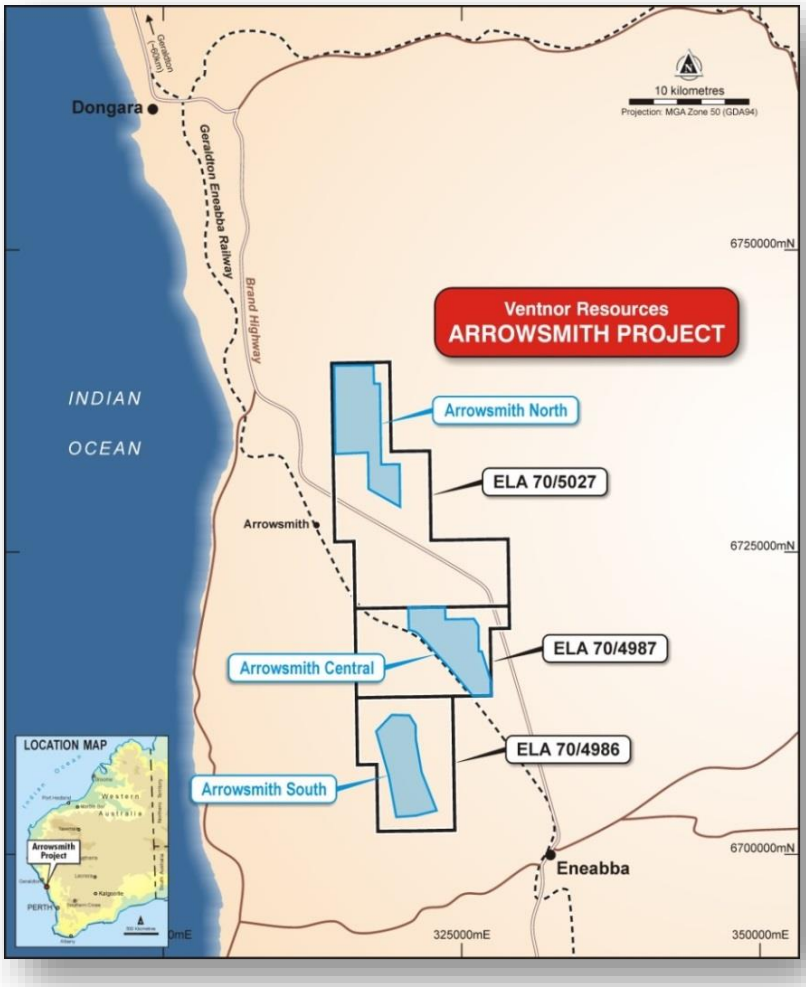

Figure 1: Arrowsmith Project Location

The update was a comprehensive presentation of the sand characteristics and profile with a proposed possible production flowchart. The 30 January 2018 announcement can be viewed on the ASX announcements site under the Company code VRX, as well as on the Company website http://www.ventnorresources.com.au under the heading 'Arrowsmith Silica Sands Project Test Work'.

Muchea Silica Sand Project

During the quarter, Ventnor secured an option, subject to shareholder and regulatory approvals, to acquire a potentially high-grade, high tonnage silica sand project near Muchea, north of Perth, Western Australia (**Muchea Silica Sand Project**) (*refer ASX announcement dated 26 March 2018 titled 'Option over Muchea Silica Sand Project'*). An extract follows:

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

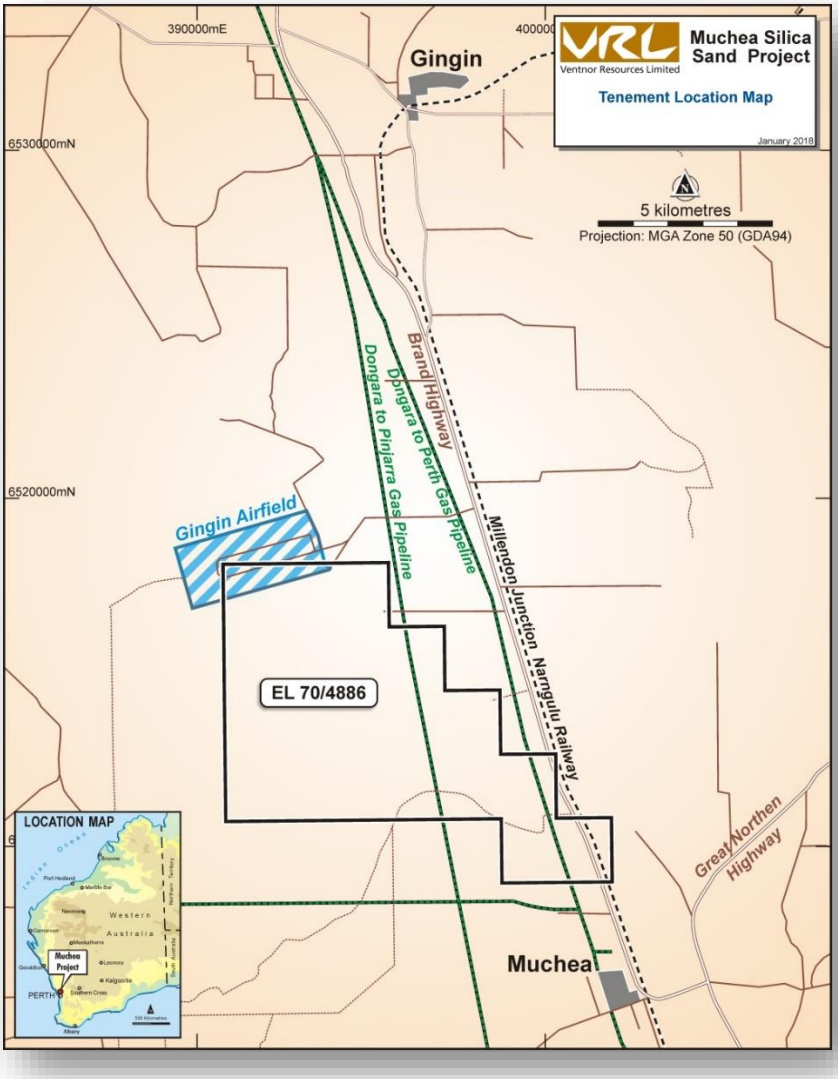

Figure 2: Muchea Silica Sand Project Location

Ventnor has undertaken a due diligence review which confirms 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.

ASX has determined that the option grant constitutes a change in the nature and/or scale of the Company's activities and that ASX Listing Rules 11.1.2 and 11.1.3 apply. As a consequence, the proposed transaction requires shareholder approval under the ASX Listing Rules and the Company is required to re-comply with ASX's requirements for admission and quotation. The proposal will not proceed if those requirements are not met.

The announcement dated 26 March 2018 includes an overview of the Muchea project, the due diligence and sampling results, the Company's strategy for the silica sand market, details of the proposed transaction, an overview of the silica sand market and details of the ASX requirements for Ventnor to re-comply with ASX Listing Rules Chapters 1 and 2 and shareholder approvals.

Markets for High Quality Silica Sand

Uses for silica sand include:

- **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 (1760°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.

Additionally, 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.

Supply issues are well publicised. Asian regional governments are recognising and acknowledging that sand is a strategic resource, and are limiting exports. Prior mining activities, such as river dredging, have caused significant environmental damage. Coastal developments are increasing, reducing access to resources, and social pressure is mounting against often illegal sand mining operations.

Rationalisation of major producers of silica sand has resulted in a relatively small number of sand-producing corporations.

Key Asian markets for silica sand include:

- **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. Singapore 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.

The Company has 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.

Exploration Events Subsequent to the Quarter

Subsequent to the end of the March quarter, on 5 April 2018 Ventnor announced the results from its preliminary due diligence drill program at the Muchea Silica Sand Project.

Ventnor advised that as part of its initial due diligence investigations into the Muchea Silica Sand Project prior to grant of the Muchea option, Ventnor conducted an aircore (**AC**) and hand auger drilling program within the Tenement area to confirm the potential of the project as indicated by previous work undertaken by Australian Silica Pty Ltd.

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.

In the announcement Ventnor Managing Director Bruce Maluish was quoted as saying that the results of the preliminary due diligence drilling program confirmed the results provided by Australian Silica. He

also noted that 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.

He also said that as part of the due diligence investigations Ventnor has also 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. The testwork program, which is ongoing, will also produce sufficient quantities of products to enable samples to be sent to prospective customers.

He noted that 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 - Muchea

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.

Figure 1. 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.

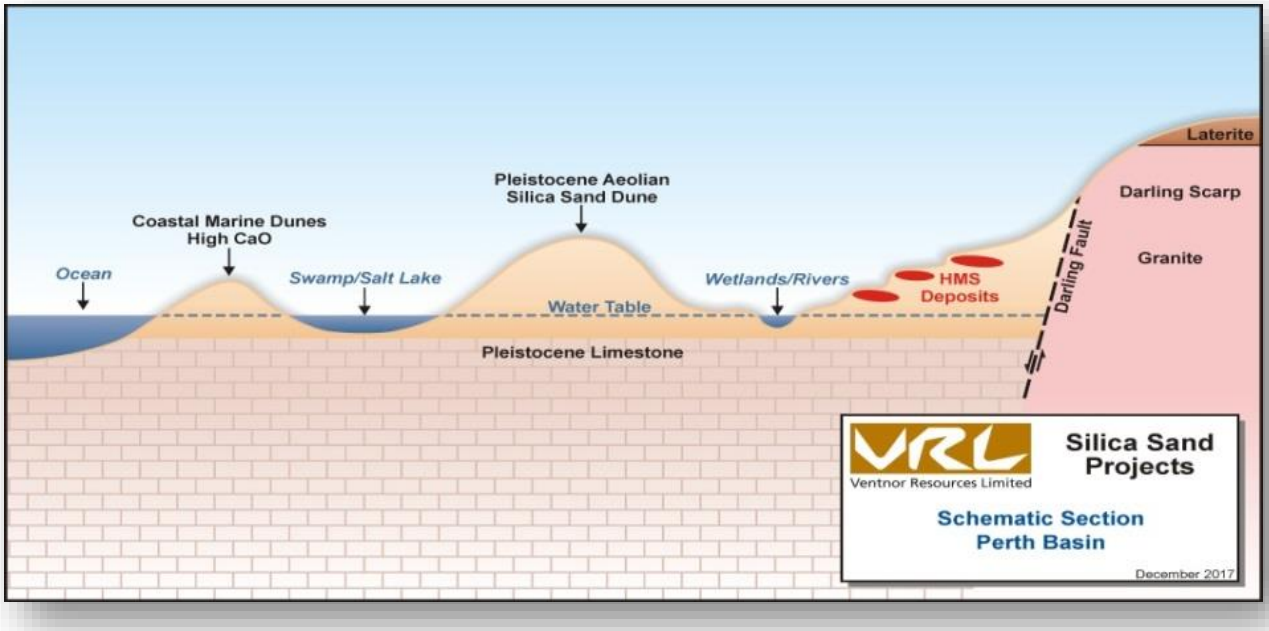

Figure 1. Schematic section of Silica Sand Dune Exploration Target

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 2).
- 43 hand auger holes for 249m (Red outline and stars, shown on Figure 2).

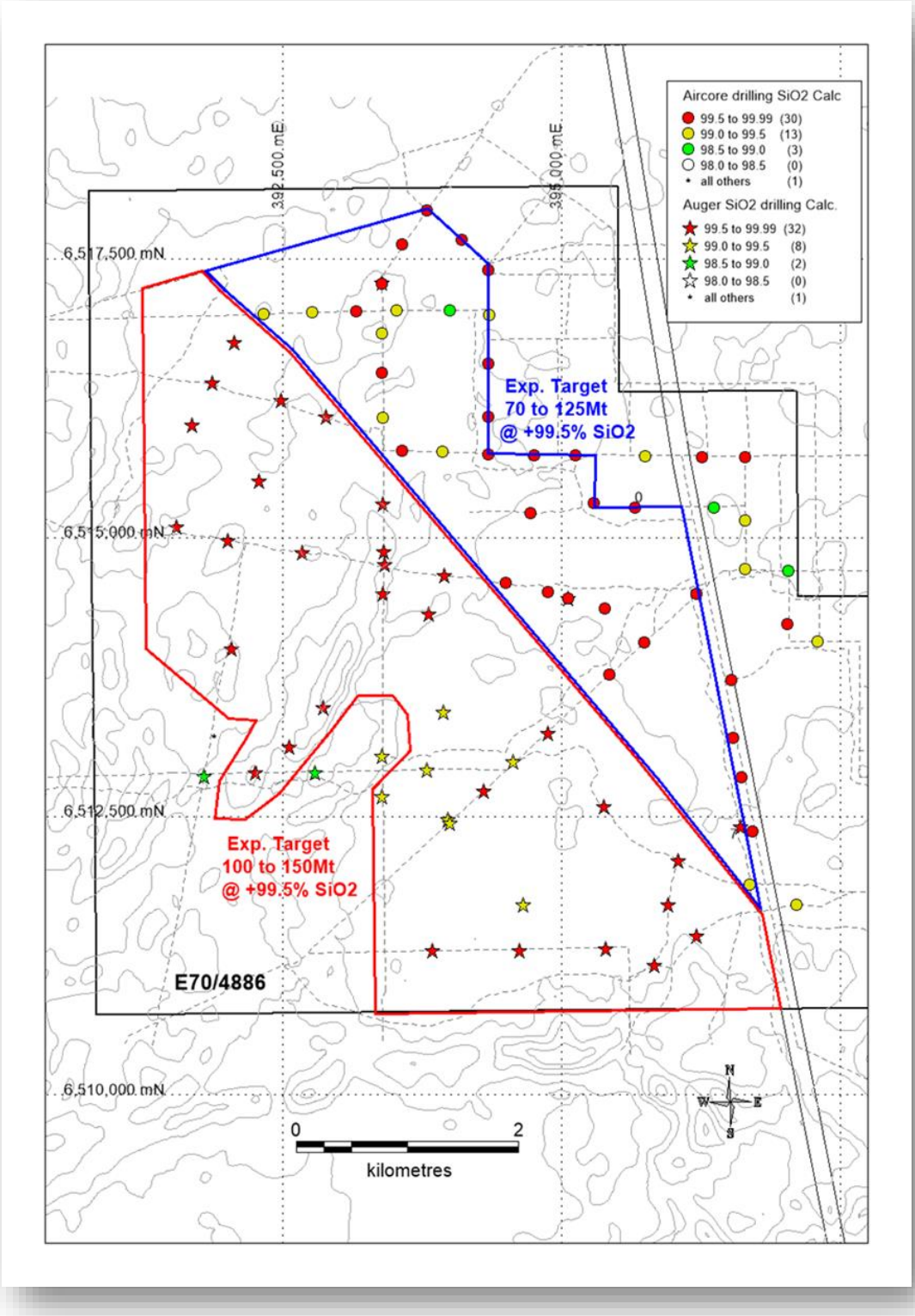

Figure 2: Aircore and auger drilling completed on E70/4886, with exploration targets.

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.

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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 1, and the hole positions, coloured by grade ranges, shown as dots on Figure 3. The high grade composites shown in Table 1 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	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	%
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

* X = below detection limit

Average Composite Depth	**7.8**	**99.51**	**99.78**	**774**	**8**	**277**	**81**	**39**	**17**	**1,030**	**0.27**

Table 1: Aircore Drill results

Ventnor Resources Limited

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 2. Figure 3 shows the hole positions, coloured by grade ranges, displayed as stars. The high-grade composites in Table 2 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
* X = below detection limit														
		Average Composite Depth		**4.6**	**99.58**	**99.82**	**660**	**28**	**117**	**81**	**37**	**48**	**770**	**0.24**

Table 2: Hand Auger Drill results

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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 $_{1000C}$	From	To	$SiO_{2\ Calc}$	$SiO_{2\ Calc}$ +LOI $_{1000C}$	$SiO_{2\ Calc}$	$SiO_{2\ Calc}$ +LOI $_{1000C}$	From	To	$SiO_{2\ Calc}$	$SiO_{2\ Calc}$ +LOI $_{1000C}$	$SiO_{2\ Calc}$	$SiO_{2\ Calc}$ +LOI $_{1000C}$
		MA017 (Auger)		MAC023 (AC)				MA029 (Auger)		MAC032 (AC)				MA032 (Auger)		MAC044 (AC)	
0	1	99.10	99.89	99.66	99.89	0	1	98.57	99.91	99.28	99.87	0	1	99.34	99.87	98.80	99.61
1	2	99.75	99.89	99.68	99.89	1	2	99.86	99.93	99.70	99.88	1	2	99.60	99.88	99.68	99.84
2	3	99.32	99.90	99.72	99.89	2	3	99.85	99.92	99.81	99.90	2	3	99.75	99.87	99.60	99.87
3	4	99.68	99.88	99.69	99.89	3	4	99.83	99.92	99.80	99.90	3	4	99.74	99.90	99.71	99.87
4	5	99.53	99.91	99.84	99.92	4	5	99.88	99.91	99.17	99.64	4	5	99.74	99.86	99.74	99.84
5	6	99.70	99.90	99.85	99.92	5	6	99.83	99.89	99.65	99.82	5	6			90.00	95.64
6	7	99.80	99.92	99.88	99.92	6	7			99.88	99.91	6	7			91.85	96.81
7	8			99.92	99.93	7	8			99.83	99.91	7	8			92.74	96.30
8	9			99.84	99.89	8	9			99.81	99.92	8	9			93.71	96.04
9	10			99.86	99.88	9	10			99.77	99.83	Twin Ave.		**99.64**	**99.88**	**99.51**	**99.81**
10	11			99.82	99.86	10	11			99.76	99.84						
11	12			99.67	99.74	11	12			99.70	99.83						
12	13			98.64	99.21	12	13			94.88	98.09						
Twin Ave.		**99.56**	**99.90**	**99.76**	**99.90**	13	14			90.45	95.40						
						Twin Ave.		**99.64**	**99.91**	**99.57**	**99.84**						

Table 3: 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.

Further Work Required

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 as a Mineral Resource under the JORC-2012 guidelines.

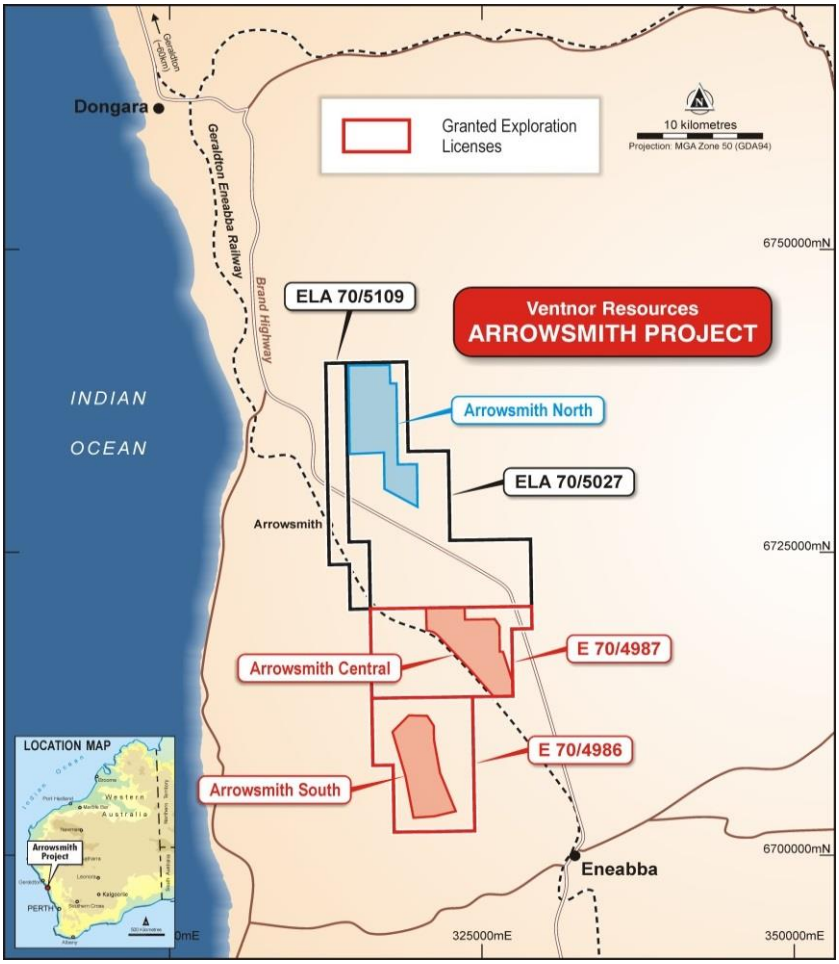
The drilling results reported in this announcement demonstrate the major impurities are TiO_2, Al_2O_3 and Fe_2O_3. Given Ventnor's experience with testwork completed at its Arrowsmith Silica Sand Project, it is expected that a significant amount of these impurities may be removed using conventional sand processing techniques such as gravity separation by spirals, attritioning, sizing and magnetic separation. It is believed that the in situ resource could be processed to achieve a product grade higher than 99.9% SiO_2 + LOI_{1000C}.

Ventnor Resources Limited

Tenement Grant

On 12 April 2018 Ventnor announced the first two tenements have been granted at its Arrowsmith Silica Sands Project, located 270km north of Perth, Western Australia. The two tenements, E70/4986 and E70/4987 comprise the Arrowsmith Central and Arrowsmith South prospects.

Ventnor has a further two contiguous exploration license applications pending, including the Arrowsmith North prospect. The Company expects these to be granted in May.



The Arrowsmith Silica Sand Project area.

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 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 release of the matters based on information provided by him and in the form and context in which they appear.

Ventnor Resources Limited

Corporate Events

On 5 January 2018, the Company completed the issue of 7,227,656 Shortfall Shares at an issue price of 3.5 cents per share under the Non-Renounceable Rights Issue that closed on 15 December 2017.

On 2 February 2018, ASX suspended the Company's securities from trading at the request of the Company. As reported in the ASX announcement dated 26 March 2018, the Company will remain suspended until it has re-complied with Chapters 1 and 2 of the ASX Listing Rules or earlier upon ASX determination.

To assist the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules and to support its exploration strategy post relisting, the Company plans, subject to shareholder approval, to conduct a capital raising under a full form prospectus (**Capital Raising**).

The Company is proposing to issue 30 million new fully paid ordinary shares under the Capital Raising at an issue price of $0.06 per share to raise $1.8 million.

Interests in Mining Tenements

WESTERN AUSTRALIA

Arrowsmith Project – Silica

Tenement	Status	Interest at beginning of quarter (%)	Interests relinquished, reduced or lapsed (%)	Interests acquired or increased (%)	Interest at end of quarter (%)
ELA70/4986	Application	100	-	-	100
ELA70/4987	Application	100	-	-	100
ELA70/5027	Application	100	-	-	100
ELA70/5109	Application	-	-	100	100

Muchea Project – Silica

Tenement	Status	Interest at beginning of quarter (%)	Interests relinquished, reduced or lapsed (%)	Interests acquired or increased (%)	Interest at end of quarter (%)
ELA70/5157	Application	-	-	100	100

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
E52/3447	Granted	100	-	-	100

Ventnor Resources Limited

Biranup Project – Base Metals/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
E38/3191	Granted	100	-	-	100
E39/2000	Granted	100	-	-	100
E39/2001	Granted	100	-	-	100
E39/2003	Granted	100	-	-	100
ELA38/3294	Application	100	-	-	100