



ABN 65 009 131 533

# **WINDIMURRA VANADIUM LIMITED**

## **Annual Financial Report For the year ended 30 June 2015**

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# Corporate Information

<b>Directors</b>	Mr Paul Price (resigned 16 April 2015) Mr KC Ong (resigned 21 January 2015) Ms Paula Cowan (resigned 31 July 2014) Mr Jason Ferris (appointed 31 July 2014) Ryan Rockwood (appointed 21 January 2015) Graham Chapman (appointed 21 January 2015) Lee Christensen (appointed 16 April 2015)
<b>Company Secretary</b>	Ms Nicki Farley (appointed 7 November 2012)
<b>Registered Office and Principal Place of Business</b>	Level 24, 44 St Georges Terrace PERTH WA 6000 Telephone: (08) 6211 5099 Facsimile: (08) 9218 8875
<b>Share Registry</b>	Computershare Investor Services Pty Limited Level 11 1782 St Georges Terrace PERTH WA 6000
<b>Website</b>	<a href="http://www.windimurravanadium.com.au">www.windimurravanadium.com.au</a>
<b>Place of Incorporation</b>	Western Australia
<b>Auditors</b>	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco WA 6008
<b>Solicitors</b>	Price Sierakowski Corporate Level 24, 44 St Georges Terrace PERTH WA 6000 Telephone: (08) 6211 5099 Facsimile: (08) 9218 8875
<b>Bankers</b>	Suncorp Bank 41-43 St Georges Terrace PERTH WA 6000
<b>Stock Exchange</b>	ASX Limited Exchange Plaza Level 40 152-158 St Georges Terrace PERTH WA 6000
<b>ASX Code</b>	WVL

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# Windimurra Vanadium Limited

## Directors' report

### For the year ended 30 June 2015

The directors present their report together with the annual financial report of Windimurra Vanadium Limited ("the Company") for the financial year ended 30 June 2015 and the auditor's report thereon.

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# Windimurra Vanadium Limited

## Directors' report

For the year ended 30 June 2015

### 1. Directors

The directors of the Company at any time during or since the end of the financial year are:

Name, qualifications and independence status	Experience, special responsibilities and other directorships
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Jason Ferris <i>Executive Director</i>	Mr Ferris was appointed as a Director of the Company on 31 July 2014.
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Mr Ferris holds an AFSL and an Australian Credit License. He is a Fellow of the Australian Institute of Management (FAIM) and is a Member of the Australian Institute of Company Directors (MAICD). Mr Ferris has held board positions in both Australia and South Africa, and has held executive roles in the United Kingdom. Mr Ferris is currently the sole director of both Woodchester Capital and Woodchester Finance and was previously an executive director of the company responsible for establishing and building the Western Australian arm of ASX listed residential mortgage broker Mortgage Choice prior to its listing. This company is now capitalised at circa AUD\$150m. Mr Ferris has been involved in excess of \$3b in property finance transactions since late 2005 in the commercial property finance sector including senior development debt, investment term debt and mezzanine finance. He has also facilitated many joint venture opportunities in both property and mining sectors.

Mr Ferris holds 1,000,000 shares in the Company as at the date of this report.

During the past three years, Mr Ferris has served as a Director for the following other listed companies:

- Diploma Group Limited – appointed 30 March 2015.
- Leopard Resources Limited – appointed 28 April 2015.

Lee Christensen <i>Non-Executive Director</i>	Mr Christensen was appointed as a Director of the Company on 16 April 2015.
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Mr Christensen is a lawyer and senior partner at Gadens Perth, specialising in dispute resolution, insolvency and restructures. He has many years of commercial litigation and insolvency law experience having acted in major insolvencies ranging from Rothwells, Bond Corporation, Bell Group to Great Southern and Griffin Coal. His in-depth understanding and proven application of Insolvency issues sees him regularly advising external administrators, trustees, creditors and bankrupts on all of its ramifications.

Mr Christensen holds 3,660,000 shares in the Company as at the date of this report.

During the past three years, Mr Christensen has not served as a Director of any other listed company.

Ryan Rockwood <i>Non-Executive Director</i>	Mr Rockwood was appointed as a Director of the Company on 21 January 2015.
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Mr Rockwood is an experienced mining sector professional and currently serves as an executive and founding director of ASX listed Lemur Resources Limited. Pre-2007, he spent many years in operations management for the leading miners, including BHP Billiton and Rio Tinto. His international experience includes living and working in the UK, USA, Australia, South Africa and South East Asia. Mr Rockwood holds a First Class Degree in Engineering and a First Class Masters in Manufacturing and Management in 1999 both from the University of Cambridge. Ryan is a Sri Lankan national.

Mr Rockwood holds no shares in the Company as at the date of this report.

During the past three years, Mr Rockwood has served as a Director for the following other listed companies:

- Lemur Resources Limited – Director – appointed on 10 February 2011.

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## Windimurra Vanadium Limited Directors' report (continued)

For the year ended 30 June 2015

### 1. Directors (Continued)

Graham Chapman  
Non-Executive  
Director

Mr Chapman was appointed as a Director of the Company on 21 January 2015.

Mr Chapman, a geologist by profession, has over 35 years experience in mining and has lived and worked in a number of countries, including South Africa, Indonesia, Australia, Russia, Colombia and India. He was Vice President Strategy in the newly formed BHP Billiton. From 2002 to 2011 he formed and led an energy-focussed consulting company based in UK, and was Vice Chairman of the UN ECE Coal Group of Experts Committee in 2008. He holds an MBA, B.Sc (Hons) and is a Fellow of the Geological Society, London.

Mr Chapman holds no shares in the Company as at the date of this report.

During the past three years, Mr Chapman has not served as a Director of any other listed company  
Mr Price was appointed as a Director of the Company on 30 July 2012 and resigned on 16 April 2016)

Paul Price  
Chairman and Non-  
Executive Director

Mr Price has extensive experience in corporate and commercial matters and has advised national and international clients on capital raising and structuring issues including Corporations Act and ASX Listing Rule compliance and governance issues. Mr Price's clients span numerous industry sectors, including resources and energy, manufacturing, professional services, industrial and technology. Mr Price has served as a director of a number of ASX listed companies and is a co-founder of corporate advisory firm Trident Capital. Mr Price is a member of the Australian Institute of Company Directors, AMPLA (the Resources and Energy Law Association) and the Association of Mining and Exploration Companies. Paul has a Bachelor of Jurisprudence, a Bachelor of Laws and a Masters of Business Administration, all from the University of Western Australia.

Mr Price held 20,000,000 shares in the Company during his period as a Director.

During the past three years, Mr Price has served as a Director for the following other listed companies:

- CAQ Holdings Limited – Director – appointed on 2 May 2013.
- Oz Brewing Limited – Director – appointed on 19 June 2014 and resigned on 25 March 2015.

KC Ong  
Non-Executive  
Director

Mr Ong was appointed as a Director of the Company on 30 July 2012 and resigned on 21 January 2015.

Mr. Ong has over 25 years of extensive and diverse experience in corporate finance and business advisory to corporations in Australia and South-East Asia. Mr. Ong is a Director of Trident Management Services. He is an alumni from Deakin University, Victoria, holding a Bachelor of Commerce degree and is a Certified Practising Accountant.

Mr Ong held no shares in the Company during his period as a Director.

During the past three years, Mr Ong has served as a Director for the following other listed companies:

- CAQ Holdings Limited – Director – appointed on 2 May 2013.
- Reclaim Industries Limited – Director – appointed on 13 March 2012.
- iWebGate Limited – Director – appointed on 23 July 2012 and resigned on 9 December 2014.

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# Windimurra Vanadium Limited

## Directors' report (continued)

For the year ended 30 June 2015

### 1. Directors (Continued)

Paula Cowan  
Non-Executive Director

Ms Cowan was appointed as a Director of the Company on 30 July 2012 and resigned on 31 July 2014.

Ms Cowan is a qualified chartered accountant with over 10 years' experience and is currently a Partner of Palisade Business Consulting, a boutique professional services firm delivering financial solutions to listed and private companies, regulatory authorities and a range of Government and not for profit enterprises. Prior to joining Palisade Business Consulting, Ms Cowan was an Executive Director at KordaMentha, Perth. As a Chartered Accountant and member of the Australian Institute of Company Directors, her expertise and experience underpins services including business advisory, governance, cashflow modelling and management, corporate recovery, restructuring and financial investigations and reporting across a variety of industry sectors, including agribusiness, Indigenous, Mining and manufacturing.

Ms Cowan held no shares in the Company during her period as a Director.

During the past three years, Ms Cowan has served as a Director for the following other listed companies:

### 2. Company Secretary

Ms Nicki Farley was appointed to the position of company secretary on 7 November 2012. Ms Farley holds a Bachelor of Laws and Arts from the University of Western Australia and has over 10 years of experience working within the corporate advisory area providing advice in relation to capital raisings, corporate and securities laws, mergers and acquisitions and general commercial transactions. Ms Farley has also held a number of company secretarial roles for ASX listed companies.

### 3. Directors' meetings

The number of meetings of the Company's Directors held during the year ended 30 June 2015, whilst each director was in office, and the number of meetings attended by each Director, were:

Director	Board of Directors' Meetings	
	No. eligible to attend	No. attended
Paul Price	2	2
KC Ong	1	1
Paula Cowan	-	-
Jason Ferris	3	3
Ryan Rockwood	2	2
Graham Chapman	2	2
Lee Christensen	1	1

The Board of Directors also approved eight (8) circular resolutions during the year ended 30 June 2015 which were signed by all Directors of the Company.

### 4. Principal activities

The principal activities of the Company are mineral exploration with its project located in Western Australia. In addition, the Company is in the process of acquiring a second project located in Sri Lanka.

**Windimurra Vanadium Limited**  
**Directors' report (continued)**  
 For the year ended 30 June 2015

**5. Operating and financial review**

**Operating results and financial review**

The net loss of the Company for the financial year ended 30 June 2015 amounted to \$275,279 (2014: loss \$647,110).

The loss is mainly attributable to the due diligence costs incurred on the Sri Lankan projects and consultancy fees during the year.

The current year loss was also reduced by the reversal of convertible note valuation losses from the prior year.

The net asset of the Company for the financial year ended 30 June 2015 amount to \$1,166,665 (2014: net assets \$1,410,940).

**History, Review of Operations and Subsequent Events**

**ASX Reinstatement**

On 4 July 2014 the Company's securities were reinstatement to the official list of ASX. The Company currently has interests in the following 2 projects which it intends to explore and evaluate in line with its business model.

**Windimurra Project**

The Company has a 100% interest in the Western Australian mining lease M58/272 (**Windimurra Tenement**) located in the Murchison Goldfield in Western Australia which was granted on 22 May 2014. During the year an initial technical review of the Windimurra Tenement was undertaken to consider prospectivity and future exploration activities.

**Sri Lankan Project – Option Agreement**

On 29 December 2014, the Company announced that it had completed its due diligence and exercised its option to acquire 100% of the issued capital of Srinel Holdings Limited ("**Srinel**") to acquire 13 exploration licenses located in Sri Lanka that are prospective for mineral sands ("**Acquisition**"). Completion of the Acquisition is subject to shareholder and regulatory approval, in accordance with the Option Agreement dated 19 March 2014.

The material terms of the Option Agreement are as follows:

- (a) In consideration of the Company paying US\$500,000 (**Option Fee**) to Cuprum, Cuprum grants to the Company the sole and exclusive option to acquire the Srinel Shares (**Call Option**).
- (b) The purchase price for the Srinel Shares is as follows:
  - (i) the Option Fee;
  - (ii) the amount spent by Cuprum in exploration on the Sri Lankan Tenements from 1 January 2014 onwards being reimbursement of expenditure reasonably incurred by Cuprum in assessing, exploring and developing the Tenements estimated to be \$50,000;
  - (iii) 400,000,000 Shares as deferred consideration subject to, and in accordance with, the following Milestones:
    - (A) (**Milestone 1**): 200,000,000 WVL Shares upon the Company achieving:
      - (1) a JORC inferred mineral resource of 10 million tonnes of heavy mineral content of not less than 5% discovered;
      - (2) a JORC inferred mineral resource of ore other than heavy mineral content of not less than 5% discovered with an equivalent value to (1) above;
      - (3) a JORC inferred mineral resource of any combination of ore with an equivalent value to (1) above;



**Windimurra Vanadium Limited**  
**Directors' report (continued)**  
For the year ended 30 June 2015

**History, Review of Operations and Subsequent Events (continued)**

**Sri Lankan Project – Option Agreement (continued)**

- (B) **(Milestone 2):** 200,000,000 WVL Shares upon the Company achieving:
- (1) a JORC inferred mineral resource of 20 million tonnes of heavy mineral content of not less than 5% discovered;
  - (2) a JORC inferred mineral resource of ore other than heavy mineral content of not less than 5% discovered with an equivalent value to (1) above;
  - (3) a JORC inferred mineral resource of any combination of ore with an equivalent value to (1) above; and
- (iv) US\$2,500,000 as deferred consideration subject to, and in accordance with, the following Milestones:
- (A) **(Milestone 3):** US\$500,000 upon the Company obtaining a grant of one or more mining licences in respect of all or part of the land the subject of the Sri Lankan Tenements; and
  - (B) **(Milestone 4):** US\$2,000,000 upon the Company commencing commercial production or extraction of minerals in respect of any of the Sri Lankan Tenements.
- (c) Exercise of the Call Option is conditional on:
- (i) the Company obtaining all necessary Shareholder approvals to give effect to the Option Agreement, including takeover approval under item 7 of section 611 of the Corporations Act and approval for a change of nature and scale under Listing Rule 11.1.2;
  - (ii) the Company obtaining all necessary approvals of any regulatory authority to give effect to Option Agreement, including by re-complying with Chapters 1 and 2 of the Listing Rules;
  - (iii) no material adverse change having occurred; and
  - (iv) no breach or default by Cuprum of the Option Agreement.
- (d) The conduct of Cuprum and Srinel with respect to the Srinel Shares and the Tenements will be subject to standard pre-completion restrictions.
- (e) Cuprum gives various warranties and indemnities considered standard for a transaction of this nature. The Option Agreement otherwise contains provisions considered standard for a transaction of this nature.

The Company is required to seek the approval of Shareholders and regulatory authorities to exercise the Call Option. The Company has been advised by ASX that, prior to exercising the Call Option, the Company is required to re-comply with Chapters 1 and 2 of the Listing Rules as if it were applying for admission to the Official List of ASX.

**Mannar Mineral Sands Project, Sri Lanka**

During the year, the Company announced that the Mineral Resource Estimation on the Mannar Mineral Sands Project in Sri Lanka had been received, confirming a JORC Inferred mineral resource (2% THM cut off) of 10.3mt with %THM of 11.71.

GeoActiv (Pty) Ltd were commissioned to conduct an exploration and resource modelling program on three (3) of the company's exploration licenses on Mannar Island, Sri Lanka.

The exploration program of drilling and sampling approximated the historical techniques followed by the GSMB in terms of drilling, sampling, TBE heavy fraction separation and mineralogical studies, but XRF and XRD work was also conducted.

## Windimurra Vanadium Limited Directors' report (continued) For the year ended 30 June 2015

### History, Review of Operations and Subsequent Events (continued) Mannar Mineral Sands Project, Sri Lanka (continued)

The exploration program confirmed the presence of significant amounts of heavy mineral concentrations within the licenses. The tables below indicate the Inferred total heavy mineral (THM) resource from the licenses. Resource figures with a 2% bottom cut-off being used are shown. XRF and mineralogical studies were done to determine the mineral assemblage within the different TBE sourced heavy fractions, especially the valuable heavy minerals present in the HMC. The tables therefore also indicate the ilmenite, leucoxene, rutile and zircon % within the THM.

#### The Inferred mineral resource estimations for Mannar with a 2% THM cut-off.

EL Area	Tonnes	%THM	%Silt	%Oversize	%Ilm*	%Leu*	%Rut	%Zir
180	4 049 063	11.78	1.89	12.06	5.61	1.35	0.13	0.24
182	5 978 984	11.67	2.17	6.79	5.49	1.32	0.22	0.28
203	304 063	11.71	2.69	1.15	5.42	1.50	0.25	0.25
<b>Grand Total</b>	<b>10 332 109</b>	<b>11.71</b>	<b>2.08</b>	<b>8.69</b>	<b>5.54</b>	<b>1.34</b>	<b>0.18</b>	<b>0.26</b>

#### The Mineral assemblage percentages of the VHM based on the resource estimation with a 2% THM cut-off.

EL Area	%THM	VHM Mineral Assemblage % of the THM			
		%Ilm*	%Leu*	%Rut	%Zir
<b>180</b>	11.78	47.6	11.5	1.1	2.0
<b>182</b>	11.67	47.0	11.3	1.9	2.4
<b>203</b>	11.71	46.3	12.8	2.1	2.1
<b>Grand Total</b>	<b>11.71</b>	<b>47.3</b>	<b>11.4</b>	<b>1.5</b>	<b>2.2</b>

\* Note the percentages could be variable and need to be refined with SEM and additional stereomicroscopy during next exploration phase.

The completed exploration represents a preliminary assessment, activities being restricted to the immediate beach area. Small scale drilling was undertaken but only assessed the immediate upper layer of the sands, due to the drilling method available and the presence of a water table. A more extensive programme is being planned on the back of these results using state-of-the-art techniques to assess the deposits in detail, extending the areas assessed by both depth and lateral extent. We are confident this will result in a significant increase in the resource base.

The Company confirmed that pursuant to the Option Agreement between the Company and Cuprum Holdings Limited for the acquisition of Srinel, these results satisfy Milestone 1, namely achieving a JORC inferred mineral resource of 10 million tonnes of heavy mineral content of not less than 5% discovered (as outlined in the Company's Prospectus dated 4 April 2014). Accordingly, subject to completion of the acquisition of Srinel, Cuprum will be issued 200,000,000 Shares in the Company.

# Windimurra Vanadium Limited

## Directors' report (continued)

For the year ended 30 June 2015

### History, Review of Operations and Subsequent Events (continued)

#### Mannar Mineral Sands Project, Sri Lanka (continued)

**Competent Person Statement:** *The details contained in the document that relate to mineral resources and exploration results are based upon information compiled by Messrs. B Siebrits (Lead Consulting Author and Mineral Resource) and JN Badenhorst (Additional Author) from GeoActiv (Pty) Ltd. Messrs. Siebrits and Badenhorst are independent consultants for Srinel. They are Members of the South African Council for Natural Scientific Professions (registration numbers 400150/90 and 400157/07 respectively), Mr. Siebrits is also a Member of the Australian Institute of Mining and Metallurgy. They have sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which was undertaken 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". Messrs. Siebrits and Badenhorst consent to the inclusion in this release of the matters based on the information in the form and context in which it appears.*

#### Share Issues

On 20 January 2015, the following share issues were made:

1. 29,895,000 Shares issued on conversion of the Willis Convertible Note at a conversion rate of \$0.01 per Share, as approved by Shareholders on 26 November 2014; and
2. 20,000,000 Shares issued on conversion of Convertible Notes at a conversion rate of \$0.002 per Share, as approved by Shareholders on 26 November 2014

#### Loan Repayment

In July 2014, the Company repaid a loan of \$300,000 to IML Holdings Pty Ltd. A fee of \$10,000 was also paid to IML Holdings Pty Ltd pursuant to the loan agreement.

#### Convertible Note Repayment

On 23 September 2014, \$250,000 was repaid pursuant to the terms of the convertible note.

#### Board Changes

On 31 July 2014 Mr Jason Ferris was appointed as a director of the Company replacing Ms Paula Cowan. On 21 January 2015, Mr Graham Chapman and Mr Ryan Rockwood were appointed as directors of the Company, replacing Mr KC Ong. Mr Christensen was appointed as Chairman of the Board on 16 April 2015, replacing Mr Paul Price.

## Windimurra Vanadium Limited

### Directors' report (continued)

For the year ended 30 June 2015

#### 6. Corporate governance statement

The Board is responsible for establishing the Company's corporate governance framework, the key features of which are set out below. In establishing its corporate governance framework, the Board has referred to the 3<sup>rd</sup> edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations.

In accordance with ASX Listing Rule 1.1 Condition 13, the corporate governance statement discloses the extent to which the Company follows the recommendations. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at [www.windimurranadium.com.au](http://www.windimurranadium.com.au), under the section marked "Corporate Governance":

- (a) Board Charter;
- (b) Board Performance Evaluation Policy;
- (c) Code of Conduct;
- (d) Audit Committee Charter;
- (e) Remuneration and Nomination Committee Charter;
- (f) Security Trading Policy;
- (g) Continuous Disclosure Policy;
- (h) Shareholder Communication and Investor Relations Policy;
- (i) Risk Committee Charter;
- (j) Risk Management Policy; and
- (k) Diversity Policy.

#### **Principle 1: Lay solid foundations for management and oversight**

##### **Recommendation 1.1**

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management, and has documented this in its Board Charter.

The responsibilities of the Board include but are not limited to:

- (a) setting and reviewing strategic direction and planning;
- (b) reviewing financial and operational performance;
- (c) identifying principal risks and reviewing risk management strategies; and
- (d) considering and reviewing significant capital investments and material transactions.

In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, shareholders, co-ventures, the government and the community.

The Board has delegated responsibility for the business operations of the Company to the Chief Executive Officer and the management team. The management team, led by the Chief Executive Officer is accountable to the Board.

**Windimurra Vanadium Limited**  
**Directors' report (continued)**  
 For the year ended 30 June 2015

**6. Corporate governance statement (continued)**

***Recommendation 1.2 (continued)***

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect a director.

The checks which are undertaken, and the information provided to shareholders, are set out in the Company's Remuneration and Nomination Committee Charter.

***Recommendation 1.3***

The Company has a written agreement with each of the Directors and the Incoming Directors and senior executives setting out the terms of their appointment. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Chief Executive Officer, any of its directors, and any other person or entity who is a related party of the Chief Executive Officer or any of its directors will be disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

***Recommendation 1.4***

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for the application of best practice in corporate governance and also supports the effectiveness of the Board by:

- (a) ensuring a good flow of information between the Board, its committees, and Directors;
- (b) monitoring policies and procedures of the Board;
- (c) advising the Board through the Chairman of corporate governance policies; and
- (d) conducting and reporting matters of the Board, including the despatch of Board agendas, briefing papers and minutes.

***Recommendation 1.5***

The Company has a Diversity Policy, the purpose of which is:

- (a) to outline the Company's commitment to creating a corporate culture that embraces diversity and, in particular, focuses on the composition of its Board and senior management; and
- (b) to provide a process for the Board to determine measurable objectives and procedures which the Company will implement and report against to achieve its diversity goals.

The Board intends to set measurable objectives for achieving diversity, specifically including gender diversity and will review and report on the effectiveness and relevance of these measurable objectives. However, due to the current size of the Board and management, these measurable objectives have not yet been set.

***Recommendation 1.6***

The Chief Executive Officer will be responsible for evaluating the performance of the Company's senior executives in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board. The Chair will be responsible for evaluating the performance of the Company's Chief Executive Officer in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board. During the reporting period, an evaluation of the Chief Executive Officer and senior executives has taken place in accordance with the Company's policy.

# Windimurra Vanadium Limited

## Directors' report (continued)

For the year ended 30 June 2015

### 6. Corporate governance statement (continued)

#### **Recommendation 1.7**

The Chair will be responsible for evaluating the performance of the Board, Board committees and individual directors in accordance with the process disclosed in the Company's Board performance evaluation policy.

This policy is to ensure:

- (a) individual Directors and the Board as a whole work efficiently and effectively in achieving their functions;
- (b) the executive Directors and key executives execute the Company's strategy through the efficient and effective implementation of the business objectives; and
- (c) committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in the board charter.
- (d) This policy will be reviewed annually.

During the reporting period, an evaluation of the Board, its committees and individual directors has taken place in accordance with the Company's policy.

#### **Principle 2: Structure the board to add value**

##### **Recommendation 2.1**

Due to the size of the Board, the Company does not have a separate nomination committee. The roles and responsibilities of a nomination committee are currently undertaken by the Board.

The duties of the full Board in its capacity as a nomination committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website.

When the Board meets as a remuneration and nomination committee it carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration and Nomination Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of a Nomination Committee and is disclosed on the Company's website.

##### **Recommendation 2.2**

The mix of skills and diversity which the Board is looking to achieve in its composition is:

- (a) a broad range of business experience; and
- (b) technical expertise and skills required to discharge duties.

##### **Recommendation 2.3**

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles and Recommendations. Currently the Board is structured as follows:

- (a) Mr Lee Christensen (Chairman);
- (b) Mr Jason Ferris (Executive Director);
- (c) Mr Graham Chapman (Non-executive Director); and
- (d) Mr Ryan Rockwood (Non-executive Director).

Mr Ferris was appointed to the Board on 31 July 2014. Mr Rockwood and Mr Chapman were both appointed on 21 January 2015. Mr Christensen was appointed as Chairman of the Board on 16 April 2015. Mr Ferris and Mr Rockwood are not considering independent directors due to their association with Cuprum Holdings Limited (and associated entities) with which the Company has a material contractual relationship. Both Mr Christensen and Mr Chapman are considered independent directors.

##### **Recommendation 2.4**

Given the size and nature of the Company, the Board considers the composition of the Board is appropriate at this stage. Accordingly, the Board does not have a majority of independent directors.

##### **Recommendation 2.5**

Mr Christensen is an independent Chairman of the Board.

# Windimurra Vanadium Limited

## Directors' report (continued)

For the year ended 30 June 2015

### 6. Corporate governance statement (continued)

#### **Recommendation 2.6**

It is a policy of the Company, that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

#### **Principle 3: Act ethically and responsibly**

##### **Recommendation 3.1**

The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company has established a Code of Conduct (Code), which addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. It may be amended from time to time by the Board, and is disclosed on the Company's website.

The Code applies to all Directors, employees, contractors and officers of the Company. The Code will be formally reviewed by the Board each year.

#### **Principle 4: Safeguard integrity in corporate reporting**

##### **Recommendation 4.1**

Due to the size of the Board, the Company does not have a separate Audit Committee. The roles and responsibilities of an audit committee are undertaken by the Board.

The full Board in its capacity as the audit committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The duties of the full Board in its capacity as the audit committee are set out in the Company's Audit Committee Charter which is available on the Company's website.

When the Board meets as an audit committee it carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee and is disclosed on the Company's website.

##### **Recommendation 4.2**

Before the Board approves the Company financial statements for each financial period it will receive from the Chief Executive Officer and the Chief Financial Officer or equivalent a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.



# Windimurra Vanadium Limited

## Directors' report (continued)

For the year ended 30 June 2015

### 6. Corporate governance statement (continued)

#### **Recommendation 4.3**

Under section 250RA of the Corporations Act, the Company's auditor is required to attend the Company's annual general meeting at which the audit report is considered, and does not arrange to be represented by a person who is a suitably qualified member of the audit team that conducted the audit and is in a position to answer questions about the audit. Each year, the Company will write to the Company's auditor to inform them of the date of the Company's annual general meeting. In accordance with section 250S of the Corporations Act, at the Company's annual general meeting where the Company's auditor or their representative is at the meeting, the Chair will allow a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant to the conduct of the audit; the preparation and content of the auditor's report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit. The Chair will also allow a reasonable opportunity for the auditor (or their representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.

#### **Principle 5: Make timely and balanced disclosure**

##### **Recommendation 5.1**

The Company is committed to:

- (a) ensuring that shareholders and the market are provided with full and timely information about its activities;
- (b) complying with the continuous disclosure obligations contained in the Listing Rules and the applicable sections of the Corporations Act; and
- (c) providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner.

The Company has adopted a Disclosure Policy, which is disclosed on the Company's website. The Disclosure Policy sets out policies and procedures for the Company's compliance with its continuous disclosure obligations under the ASX Listing Rules, and addresses financial markets communication, media contact and continuous disclosure issues. It forms part of the Company's corporate policies and procedures and is available to all staff.

The Company Secretary manages the policy. The policy will develop over time as best practice and regulations change and the Company Secretary will be responsible for communicating any amendments. This policy will be reviewed by the Board annually.

#### **Principle 6: Respect the rights of security holders**

##### **Recommendation 6.1**

The Company provides information about itself and its governance to investors via its website at [www.windimurravanadium.com.au](http://www.windimurravanadium.com.au). The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by ASX, the following will be posted to the Company website:

- (a) relevant announcements made to the market via ASX;
- (b) media releases;
- (c) investment updates;
- (d) Company presentations and media briefings;
- (e) copies of press releases and announcements for the preceding three years; and
- (f) copies of annual and half yearly reports including financial statements for the preceding three years.



# Windimurra Vanadium Limited

## Directors' report (continued)

For the year ended 30 June 2015

### 6. Corporate governance statement (continued)

#### **Recommendation 6.2**

The Company has a Shareholder Communication and Investor Relations Policy which aims to ensure that Shareholders are informed of all major developments of the Company. The policy is disclosed on the Company's website.

Information is communicated to Shareholders via:

- (a) reports to Shareholders;
- (b) ASX announcements;
- (c) annual general meetings; and
- (d) the Company website.

This Shareholder Communication and Investor Relations policy will be formally reviewed by the Board each year. While the Company aims to provide sufficient information to Shareholders about the Company and its activities, it understands that Shareholders may have specific questions and require additional information. To ensure that Shareholders can obtain all relevant information to assist them in exercising their rights as Shareholders, the Company has made available a telephone number and relevant contact details (via the website) for Shareholders to make their enquiries.

#### **Recommendation 6.3**

The Board encourages full participation of Shareholders at meetings to ensure a high level of accountability and identification with the Company's strategies and goals.

However, due to the size and nature of the Company, the Board does not consider a policy outlining the policies and processes that it has in place to facilitate and encourage participating at meetings of shareholders to be appropriate at this stage.

#### **Recommendation 6.4**

Shareholders are given the option to receive communications from, and send communication to, the Company and its share registry electronically. To ensure that shareholders can obtain all relevant information to assist them in exercising their rights as shareholders, the Company has made available a telephone number and relevant contact details (via the website) for shareholders to make their enquiries.

### **Principle 7: Recognise and manage risk**

#### **Recommendation 7.1**

Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework.

When the Board meets as a risk committee is carries out those functions which are delegated to it in the Company's Risk Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Risk Committee Charter which describes the role, composition, functions and responsibilities of the Risk Committee and is disclosed on the Company's website.

The Board has adopted a Risk Management Policy, which is disclosed on the Company's website. Under the policy, responsibility and control of risk management is delegated to the appropriate level of management within the Company with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and control framework.

The risk management system covers:

- (a) operational risk;
- (b) financial reporting;
- (c) compliance / regulations; and
- (d) system / IT process risk.

A risk management model is to be developed and will provide a framework for systematically understanding and identifying the types of business risks threatening the Company as a whole, or specific business activities within the Company.

**Windimurra Vanadium Limited**  
**Directors' report (continued)**  
 For the year ended 30 June 2015

**6. Corporate governance statement (continued)**

**Recommendation 7.2**

The Board will review the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board.

Arrangements put in place by the Board to monitor risk management include, but are not limited to:

- (a) monthly reporting to the Board in respect of operations and the financial position of the Company; and
- (b) quarterly rolling forecasts prepared.

**Recommendation 7.3**

The Company does not have, and does not intend to establish, an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy.

**Recommendation 7.4**

Given the speculative nature of the Company's business, it is subject to general risks and certain specific risks as outlined in the Company's Prospectus. The Company has identified those economic, environmental and/or social sustainability risks to which it has a material exposure, and disclosed how it intends to manage those risks.

**Principle 8: Remunerate fairly and responsibly**

**Recommendation 8.1**

Due to the size of the Board, the Company does not have a separate remuneration committee. The roles and responsibilities of a remuneration committee are currently undertaken by the Board. The duties of the full board in its capacity as a remuneration committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website.

When the Board meets as a remuneration committee it carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed on the Company's website.

**Recommendation 8.2**

Details of the Company's policies on remuneration will be set out in the Company's "Remuneration Report" in each Annual Report published by the Company. This disclosure will include a summary of the Company's policies regarding the deferral of performance-based remuneration and the reduction, cancellation or claw-back of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.

**Recommendation 8.3**

The Company does not currently have an equity-based remuneration scheme.

**Security Trading Policy**

In accordance with ASX Listing Rule 12.9, the Company has adopted a trading policy which sets out the following information:

- (a) closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;
- (b) trading in the Company's securities which is not subject to the Company's trading policy; and
- (c) the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Security Trading Policy is available on the Company's website.

## Windimurra Vanadium Limited

### Directors' report (continued)

For the year ended 30 June 2015

#### 7 Remuneration report (audited)

##### 7.1 Principles of compensation – audited

This report outlines the remuneration arrangements in place for directors of Windimurra Vanadium Limited in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purpose of this annual financial report, Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly.

##### Details of Key Management Personnel during the year ended 30 June 2015

Mr Paul Price (resigned 16 April 2015)  
 Mr KC Ong (resigned 21 January 2015)  
 Ms Paula Cowan (resigned 31 July 2014)  
 Mr Jason Ferris (appointed 31 July 2014)  
 Ryan Rockwood (appointed 21 January 2015)  
 Graham Chapman (appointed 21 January 2015)  
 Lee Christensen (appointed 16 April 2015)

##### Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Company does not link the nature and amount of the emoluments of such officers to the Company's financial or operational performance. The expected outcome of this remuneration structure is to retain and motivate Directors.

##### 7.2 Relationship between the Remuneration Policy and Company Performance

The Company's focus with regard to shareholder wealth has been in relation to the recapitalisation of the Company and in relation to searching for suitable assets during the prior year. The tables below set out summary information about the Company's revenue and movements in shareholder wealth for the five years to June 2015:

	30 June 2015	30 June 2014	30 June 2013	30 June 2012	30 June 2011
	\$	\$	\$	\$	\$
Revenue	-	-	-	3,585	52,979
Basic loss per share (cents)	(0.07)	(0.70)	(1.73)	(0.05)	(0.29)
Diluted loss per share (cents)	(0.07)	(0.70)	(1.73)	(0.05)	(0.29)

##### 7.3 Directors' and executive officers' remuneration - audited

In January 2013, the Board approved the remuneration of directors; being \$5,000 per month for the Chairman and \$4,000 per month for each other Director for their services, commencing from 1 January 2014.

## Windimurra Vanadium Limited Directors' report (continued)

For the year ended 30 June 2015

### 7.3 Directors' and executive officers' remuneration (continued)

Details of the nature and amount of each major element of the remuneration for the year ended 30 June 2015 (and the previous period) of each director of the Company receiving the highest remuneration and other key management personnel are:

2015	Short-term		Total	Post employment Superannuation benefits	Share-based payments		Total	Proportion of remuneration performance related
	Salary & fees	STI Cash bonus			Options	Shares		
Directors	\$	\$	\$	\$	\$	\$	\$	%
<i>Executive directors</i>								
Mr Jason Ferris <sup>4</sup>	44,000	-	44,000	-	-	-	44,000	-
<i>Non-executive directors</i>								
Mr Paul Price (Chairman) <sup>1</sup>	47,500	-	47,500	-	-	-	47,500	-
Mr KC Ong <sup>2</sup>	26,838	-	26,838	-	-	-	26,838	-
Ms Paula Cowan <sup>3</sup>	4,000	-	4,000	-	-	-	4,000	-
Mr Graham Chapman <sup>5</sup>	21,290	-	21,290	-	-	-	21,290	-
Mr Lee Christensen	12,500	-	12,500	-	-	-	12,500	-
Mr Ryan Rockwood <sup>6</sup>	21,290	-	21,290	-	-	-	21,290	-
<b>Total compensation: key management personnel 2015</b>	<b>177,418</b>	<b>-</b>	<b>177,418</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>177,418</b>	<b>-</b>
2014	Short-term		Total	Post employment Superannuation benefits	Share-based payments		Total	Proportion of remuneration performance related
	Salary & fees	STI Cash bonus			Options	Shares		
Directors	\$	\$	\$	\$	\$	\$	\$	%
<i>Non-executive directors</i>								
Mr Paul Price (Chairman) <sup>1</sup>	30,000	-	30,000	-	-	-	30,000	-
Mr KC Ong <sup>2</sup>	24,000	-	24,000	-	-	-	24,000	-
Ms Paul Cowan <sup>3</sup>	24,000	-	24,000	-	-	-	24,000	-
<b>Total compensation: key management personnel 2014</b>	<b>78,000</b>	<b>-</b>	<b>78,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78,000</b>	<b>-</b>

1 Mr Price's director fees were paid to Price Sierakowski Pty Ltd, of which Mr Price is a Director and Shareholder.

2 Mr Ong's director fees were paid to KC Ong & Associates, of which Mr Ong is a Director.

3 Ms Cowan's director fees were paid to Palisade Building Consulting Pty Ltd, of which Ms Cowan is a Director and Shareholder.

4 Mr Ferris' director fees are paid to J2J Investments Pty Ltd, of which Mr Ferris is a Director.

5 Mr Chapman's director fees are paid to Badger Resources Limited.

6 Mr Rockwood's director fees are paid directly to Mr Rockwood.

## Windimurra Vanadium Limited

### Directors' report (continued)

For the year ended 30 June 2015

#### 7.3.1 Loans to Directors

There were no loans to directors during the financial year ending 30 June 2015 (2014: \$nil)

#### 7.3.2 Other Transactions with Key Management Personnel

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the Company in the reporting period. These are as follows:

##### Legal services:

Paul Price is a Director of Price Sierakowski Pty Ltd ("Price Sierakowski"), which provided the Company with legal services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount incurred for the year ended 30 June 2015 was \$21,820 (2014: \$93,299). As at 30 June 2015, the amount payable to Price Sierakowski is \$nil (2014: \$88,970)

##### Consultancy services:

Jason Ferris is a Director of J2J Investments Pty Ltd ("J2J"), which provided the Company with consultancy services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount incurred for the year ended 30 June 2015 was \$36,000 (2014: \$nil). As at 30 June 2015, the amount payable to J2J is \$6,000 (2014: \$nil).

##### Accounting and company secretarial services:

KC Ong is a Director of Trident Management Services Pty Ltd ("Trident Management Services"), which provided the Company with accounting and company secretarial services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount incurred for the year ended 30 June 2015 was \$81,431 (2014: \$45,962). As at 30 June 2015, the amount payable to Trident Management Services is \$5,316 (2014: \$74,843.91).

##### Capital raising services:

Paul Price is a Director of Trident Capital Pty Ltd ("Trident Capital"), which assisted the Company in raising capital. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount incurred for the year ended 30 June 2015 was \$nil (2014: \$54,632). As at 30 June 2015, the amount payable to Trident Capital is \$Nil (2014: \$54,632).

##### Rental services:

Trident Capital provided the Company with rental services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount incurred for the year ended 30 June 2015 is \$24,000 (2014: \$Nil). As at 30 June 2015, the amount payable to Trident Capital is \$Nil (2014: \$Nil).

##### Reimbursements:

During the year, \$4,584 (ex gst) was paid to J2J Investments and \$675 (ex gst) was paid to Woodchester Capital. Both amounts were for Jason Ferris in relation to reimbursements (2014: \$nil). \$10,443 (ex gst) was paid to Ryan Rockwood in relation to reimbursements (2014: \$nil). \$16,107 (ex gst) was paid to Badger Resources for Graham Chapman in relation to reimbursements.

##### Option Agreement:

In March 2014, the Company entered into an Option Agreement with Srinel Holdings Limited ("Srinel"), a company of which Ryan Rockwood is a Director. In December 2015, the Company exercised its option to acquire 100% of the issued capital of Srinel. Refer to page 8.

##### Loan Agreement:

In September 2014, the Company entered into a loan agreement with Cuprum Holdings Limited ("Cuprum") and advanced \$65,000 to Cuprum. Ryan Rockwood is a Director of Cuprum. Refer to note 10 for further details.

There were no other transactions with Directors and key management personnel in the current financial year.

## Windimurra Vanadium Limited

### Directors' report (continued)

For the year ended 30 June 2015

#### 7.3.3 Directors' interests in shares

Fully paid ordinary shares issued by Windimurra Vanadium Limited to Key Management Personnel during the year and as at 30 June 2015 are as follows:

2015	Balance at 1 July 2014	Allotment of Shares	Net other changes	Balance at 30 June 2015
<b>DIRECTORS</b>				
Mr Paul price	20,000,000	-	(20,000,000)	-
Mr KC Ong	-	-	-	-
Ms Paula Cowan	-	-	-	-
Mr Jason Ferris	-	-	1,000,000	1,000,000
Mr Lee Christensen	-	-	3,660,000	3,660,000
Mr Graham Chapman	-	-	-	-
Mr Ryan Rockwood	-	-	-	-
	<b>20,000,000</b>	<b>-</b>	<b>(15,340,000)</b>	<b>4,660,000</b>

2014	Balance at 1 July 2013	Allotment of Shares	Net other changes	Balance at 30 June 2014
<b>DIRECTORS</b>				
Mr Paul price	-	20,000,000 <sup>1</sup>	-	20,000,000
Mr KC Ong	-	-	-	-
Ms Paula Cowan	-	-	-	-
	<b>-</b>	<b>20,000,000</b>	<b>-</b>	<b>20,000,000</b>

<sup>1</sup> 20,000,000 shares were issued to Trident Capital Pty Ltd of which Paul Price is a Director and Shareholder. These shares were issued on conversion of the convertible note with Trident Capital Pty Ltd.

At the date of this report, there were no unissued ordinary shares of the Company.

#### 7.3.4 Share options

No options were granted during or since the end of the financial year.

#### 7.3.5 Analysis of bonuses included in remuneration

There were no short term cash bonuses paid during the reporting period.

#### 7.3.6 Options over equity instruments granted as compensation

There were no options over ordinary shares in the Company granted as compensation to key management personnel during the reporting period. No options were granted since the end of the financial year.

**This is the end of the Audited Remuneration Report.**

## 8. Dividends

No dividends have been paid or declared by the Company to members during the 2015 or 2014 financial years.

## Windimurra Vanadium Limited

### Directors' report (continued)

For the year ended 30 June 2015

#### 9. Going Concern

These financial statements have been prepared on the basis of a going concern. The Directors are of the opinion that the company has sufficient funds to meet its commitments as and when they fall due for a period of at least 12 months from the date of this report.

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business. The company incurred an operating loss of \$275,279 for the year ended 30 June 2015 (30 June 2014: \$647,110) and a net cash outflow from operating activities amounting to \$1,305,106 for the year ended 30 June 2015 (30 June 2014: \$461,584).

The ability of the Company to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the company's tenements, and/or sale of assets. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern, and the Company may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

#### 10. Events Subsequent to Reporting Date

There are no events subsequent to 30 June 2015.

#### 11. Future developments

The Company will continue its review of the Windimurra Tenement to consider its prospectivity and future exploration activities. The Company is proceeding with its acquisition of Srinel and is working towards finalising its notice of meeting to obtain the required shareholder approvals to complete the acquisition. The Company has been advised by ASX that it is required to re-comply with Chapters 1 and 2 of the Listing Rules as if it were applying for admission to the Official List of the ASX.

## Windimurra Vanadium Limited Directors' report (continued)

For the year ended 30 June 2015

### 12. Indemnification and insurance of officers and auditors

#### Indemnification

The Company has agreed subject to and so far as may be permitted by the Corporations Act 2001 to indemnify each current director and officer at the date of the report against all liabilities that may arise from their position as directors and officers of the Company. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses. No indemnification has been paid with respect to the Company's auditors.

### 13. Non-audit services

Details of the amounts paid to the auditor of the Company, BDO, and its related practices for audit services provided during the year are set out in note 26.

The Board of Directors is satisfied that the provision of non-audit services complies with the independence for auditors imposed under the Corporations Act 2001.

### 14. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 50 and forms part of the directors' report for financial year ended 30 June 2015.

This report is made with a resolution of the directors:



Jason Ferris, Director

Dated at Perth this 30<sup>th</sup> day of September 2015



**Windimurra Vanadium Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
For the year ended 30 June 2015

	<i>Note</i>	2015 \$	2014 \$
Administrative expenses	7	(330,677)	(439,845)
Exploration and evaluation expenses		(87,264)	(27,932)
Director fees	22	(177,418)	(78,000)
Gain on Deed of Company Arrangement	9	-	93,744
<b>Loss before financing expenses</b>		<b>(595,359)</b>	<b>(452,033)</b>
Financial income	8	320,751	9,994
Financial expenses	8	(671)	(205,071)
<b>Net financing income</b>		<b>320,080</b>	<b>(195,077)</b>
<b>Loss before tax</b>		<b>(275,279)</b>	<b>(647,110)</b>
Income tax expense	11	-	-
<b>Loss for the year</b>		<b>(275,279)</b>	<b>(647,110)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(275,279)</b>	<b>(647,110)</b>
<b>Loss per share</b>			
Basic and diluted loss per share (cents)	18	(0.07)	(0.70)

The above Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

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**Windimurra Vanadium Limited**  
**Statement of Financial Position**  
For the year ended 30 June 2015

	<i>Note</i>	2015 \$	2014 \$
<b>Current assets</b>			
Cash and cash equivalents	13	64,483	1,994,589
Trade and other receivables	14	158,377	82,921
Loan receivable	10	65,000	-
Financial assets	6	-	352,068
<b>Total current assets</b>		<b>287,860</b>	<b>2,429,578</b>
<b>Non-current assets</b>			
Financial assets	6	652,955	-
Exploration and evaluation	12	300,000	300,000
<b>Total non-current assets</b>		<b>952,955</b>	<b>300,000</b>
<b>Total assets</b>		<b>1,240,815</b>	<b>2,729,578</b>
<b>Current liabilities</b>			
Trade and other payables	15	74,150	722,505
Convertible notes	17	-	286,133
Loan payable	16	-	310,000
<b>Total current liabilities</b>		<b>74,150</b>	<b>1,318,638</b>
<b>Total liabilities</b>		<b>74,150</b>	<b>1,318,638</b>
<b>Net assets</b>		<b>1,166,665</b>	<b>1,410,940</b>
<b>Equity</b>			
Issued capital	19	3,079,868	2,738,355
Convertible note reserve	17	-	310,509
Accumulated losses		(1,913,203)	(1,637,924)
<b>Total equity</b>		<b>1,166,665</b>	<b>1,410,940</b>

The above Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

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**Windimurra Vanadium Limited**  
**Statement of Changes in Equity**  
For the year ended 30 June 2015

	<i>Note</i>	Share capital \$	Convertible note reserve \$	Option premium reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2013		-	-	-	(990,814)	(990,814)
Total other Comprehensive loss		-	-	-	(647,110)	(647,110)
<i>Transactions with owners:</i>						
Shares issued	19	3,000,000	-	-	-	3,000,000
Share issue cost	19	(261,645)	-	-	-	(261,645)
Convertible note reserve	17	-	310,509	-	-	310,509
			-			
<b>Balance at 30 June 2014</b>		<b>2,738,355</b>	<b>310,509</b>	<b>-</b>	<b>(1,637,924)</b>	<b>1,410,940</b>
Balance at 1 July 2014		2,738,355	310,509	-	(1,637,924)	1,410,940
Total other Comprehensive loss		-	-	-	(275,279)	(275,279)
<i>Transactions with owners:</i>						
Shares issued (net of share issue cost)	19	341,513	-	-	-	341,513
Convertible note reserve	17	-	(310,509)	-	-	(310,509)
<b>Balance at 30 June 2015</b>		<b>3,079,868</b>	<b>-</b>	<b>-</b>	<b>(1,913,203)</b>	<b>1,166,665</b>

The above Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

**Windimurra Vanadium Limited**  
**Statement of Cash Flows**  
For the year ended 30 June 2015

	Note	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Cash paid to suppliers and administrators		(1,219,477)	(446,913)
Interest received		13,883	9,994
Interest paid		(671)	(298)
Exploration and evaluation outflows		(98,841)	(24,367)
<b>Net cash used in operating activities</b>	21	<b>(1,305,106)</b>	<b>(461,584)</b>
<b>Cash flows from investing activities</b>			
Exploration and evaluation outflows		-	(300,000)
Payment for other financial assets		-	(549,149)
Loan to other entities		(65,000)	-
<b>Net cash used in investing activities</b>		<b>(65,000)</b>	<b>(849,149)</b>
<b>Cash flows from financing activities</b>			
Proceeds from shares issued		-	2,500,000
Share issue costs		-	(236,667)
Proceeds from/(repayment of) convertible notes		(250,000)	588,950
Proceeds from/(repayment of) borrowings		(310,000)	300,000
<b>Net cash from/(used in) financing activities</b>		<b>(560,000)</b>	<b>3,152,283</b>
Net increase in cash and cash equivalents		(1,930,106)	1,841,550
Opening cash and cash equivalents at 1 July		1,994,589	153,039
<b>Closing cash and cash equivalents</b>	13	<b>64,483</b>	<b>1,994,589</b>

The above Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

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# Windimurra Vanadium Limited

## Notes to the financial statements

For the year ended 30 June 2015

### 1. Reporting entity

This annual financial report includes the financial statements and notes of Windimurra Vanadium Limited (“the Company”). The Company is a for-profit entity primarily involved in exploration for mineral reserves and is domiciled in Australia. Its registered address is Level 24, 44 St George’s Terrace, Perth, Western Australia.

### 2. Basis of preparation

#### (a) Statement of compliance

The annual financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (‘AASBs’) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (‘AASB’) and the Corporations Act 2001. The annual financial report complies with International financial Reporting Standards as adopted by the International Accounting Standards Board. The annual financial report was authorised for issue by the directors on 30 September 2015.

#### (b) Basis of measurement

The annual financial report has been prepared on the historical cost basis. The methods used to measure fair values are discussed further in note 4.

#### (c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company’s functional currency.

#### (d) Going concern

These financial statements have been prepared on the basis of a going concern. The Directors are of the opinion that the company has sufficient funds to meet its commitments as and when they fall due for a period of at least 12 months from the date of this report.

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business. The Company incurred an operating loss of \$275,279 for the year ended 30 June 2015 (30 June 2014: \$647,110) and a net cash outflow from operating activities amounting to \$1,305,106 for the year ended 30 June 2015 (30 June 2014: \$461,584).

The ability of the Company to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the company’s tenements, and/or sale of assets. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern, and the Company may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

### 3. Significant accounting policies

The accounting policies of the Company are consistent with prior period. New standards applicable from 1 July 2014 have had no material effect on the Company.

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## Windimurra Vanadium Limited

### Notes to the financial statements (continued)

For the year ended 30 June 2015

#### 3. Significant accounting policies (continued)

##### (a) Financial instruments

###### Non-derivative financial instruments

Non-derivative financial instruments comprise, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled. Cash and cash equivalents comprise cash balances and call deposits. Accounting for finance income and expense is discussed in note 3(f).

###### *Other*

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses

###### Share capital

###### *Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

###### Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the financial year but not distributed at balance date.

###### Derivative financial instruments

Derivatives are recognised initially at fair value; any directly attributable costs are recognised in profit or loss as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in profit or loss.

###### Compound financial instruments

Compound financial instruments issued by the Company comprise convertible notes that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured. Interest related to the financial liability is recognised in profit or loss. On conversion, the financial liability is reclassified to equity and no gain or loss is recognised.

##### (b) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense and spread over the lease term.

**Windimurra Vanadium Limited**  
**Notes to the financial statements (continued)**  
For the year ended 30 June 2015

**3. Significant accounting policies (continued)**

**(c) Exploration and evaluation assets**

Exploration and evaluation costs, comprising net direct costs (including the costs of acquiring licences) and an appropriate portion of related overhead expenditure directly attributable to the exploration property, relating to current areas of interest are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore an area are recognised in statement of comprehensive income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- (i) the exploration and evaluation costs are expected to be recouped through successful development and exploitation of the area of interest; or
- (ii) activities in the area of interest 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 in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if one or more of the following facts and circumstances arise:

- (i) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- (iv) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

In any such case, or similar cases, the entity shall perform an impairment test in accordance with AASB 136. Any impairment loss is recognised as an expense in accordance with AASB 136.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets.

In the event that an area of interest is abandoned, accumulated costs carried forward are written off to the income statement in the year in which that assessment is made. Expenditure is not carried forward in respect of any area of interest, unless the Company's right of tenure to that area of interest is current.

**(d) Impairment**

**Financial assets**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

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**Windimurra Vanadium Limited**  
**Notes to the financial statements (continued)**  
For the year ended 30 June 2015

**3. Significant accounting policies (continued)**  
**(d) Impairment (continued)**

Financial assets are tested for impairment on an individual basis.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss.

**Non-financial assets**

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(e) Provisions**

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**(f) Finance income and expenses**

Finance income comprises interest income on funds invested, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss and foreign currency gains that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets, that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

**(g) Income tax**

Income tax on the Statement of Profit or Loss and Other Comprehensive Income for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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## Windimurra Vanadium Limited

### Notes to the financial statements (continued)

For the year ended 30 June 2015

#### 3. Significant accounting policies (continued)

##### (g) Income tax (continued)

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

##### (h) Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

##### (i) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

##### (j) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods. The Company's assessment of the impact of these new standards and interpretations is set out below.

###### *i) AASB 9 Financial Instruments:*

This standard amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. Under AASB 9, there are three categories of financial assets:

- Amortised cost
- Fair value through profit or loss
- Fair value through other comprehensive income.

## Windimurra Vanadium Limited

### Notes to the financial statements (continued)

For the year ended 30 June 2015

#### 3. Significant accounting policies (continued)

##### (j) New standards and interpretations not yet adopted (continued)

###### i) AASB 9 Financial Instrument (continued)

AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.

AASB 9 is only applicable from 1 July 2018 and therefore, the Company has not yet made an assessment of the impact of these amendments.

###### ii) AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosure:

This standard defers the effective date of AASB 9 to 1 January 2015. Entities are no longer required to restate comparatives on first time adoption. Instead, additional disclosures on the effects of transition are required.

AASB 2012-6 is only applicable from 1 July 2015 and as comparatives are no longer required to be restated, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required on transition, including the quantitative effects of reclassifying financial assets on transition.

#### 4. Critical accounting estimates and judgement

##### *Determination of Fair Value*

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

##### - Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

##### - Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option.

##### - Other financial assets

On initial recognition, fair value is determined by reference to the consideration paid to acquire the instrument. Due to the instrument's short exercise period, changes in fair value are primarily attributable to the expiration of the instrument's life.

##### - Cuprum Loan

This amount has been carried at fair value. The Directors have made an assessment of the recoverability of the loan and believe it to be recoverable in the event the Srinel Acquisition proceeds. In the event the acquisition does not proceed and the loan becomes repayable, the Company would seek repayment of the loan in accordance with the Loan Agreement. The Company has the right in its absolute discretion to require Cuprum to grant security in favour of WVL.

##### - Recoverability of Srinel Option

The Srinel Option is carried at fair value of \$652,955 as at 30 June 2015. Management has made an assessment of the fair value of the financial asset and believes it will be realised in the event that the acquisition of Srinel Holdings Limited proceeds. The Directors expect to complete the acquisition in the next 12 months.

## Windimurra Vanadium Limited

### Notes to the financial statements (continued)

For the year ended 30 June 2015

#### 5. Financial risk management

##### Overview

The Company has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note presents information about the Company's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this annual financial report. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

##### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers as cash and cash equivalent.

##### Cash and cash equivalents

The Company holds cash and cash equivalents with reputable Australian banks.

##### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

##### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company continually monitors its cash flow requirements. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

##### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, affect the Company's financial performance or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

##### Interest rate risk

Interest rate risk arises as a result of the fluctuations in variable interest rates.

##### Capital management

Capital is defined as the share capital of the Company. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company is not subject to externally imposed capital requirements.

## Windimurra Vanadium Limited

### Notes to the financial statements (continued)

For the year ended 30 June 2015

#### 6. Financial asset

	2015 \$	2014 \$
<b>Current</b>		
Financial asset	-	352,068
<b>Non-current</b>		
Financial asset	652,955	-
	652,955	352,068

During the prior year, the Company entered into an Option Agreement with Cuprum Holdings Limited (“**Cuprum**”) under which Cuprum has granted the Company the sole and exclusive option to acquire 100% of the issued capital of Srinel Holdings Limited (“**Srinel**”). On 29 December 2014, the Company announced that it had completed its due diligence and exercised its option to acquire 100% of the issued capital of Srinel Holdings Limited (“**Srinel**”) to acquire 13 exploration licenses located in Sri Lanka that are prospective for mineral sands (“**Acquisition**”). Completion of the Acquisition is subject to shareholder and regulatory approval, in accordance with the Option Agreement dated 19 March 2014. In consideration for the Option, the Company has paid US\$500,000 (**Option Fee**) to Cuprum. The option fee forms part of the consideration for Cuprum. Accordingly following completion of the acquisition, this value will form part of the cost of the investment in Cuprum. The Directors expect to complete the acquisition in the next 12 months.

The Company uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1 – the fair value is calculated using quoted prices in active markets
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 – the fair value is estimated based on unobservable market data.

The fair value of the option at 30 June 2015 has been determined as level 2 because the fair value is based on observable input (foreign currency exchange rate). There were no transfers from level 2 into level 3 during the year.

	2015 \$	2014 \$
Opening balance	352,068	-
Fair value at initial recognition	-	549,149
Change in fair value (note 8)	300,887	(197,081)
Closing balance	652,955	352,068

#### 7. Administrative expenses

	2015 \$	2014 \$
Legal expenses	21,820	37,215
Accounting and audit expense	39,456	34,445
Corporate advisory expenses	-	152,273
Other administrative expenses	269,401	215,912
	330,677	439,845

**Windimurra Vanadium Limited**  
**Notes to the financial statements (continued)**  
For the year ended 30 June 2015

**8. Finance income and expense**

	2015	2014
	\$	\$
Interest received from external parties	13,883	9,994
<b>Total finance income</b>	<b>13,883</b>	<b>9,994</b>
Bank fees	(671)	(298)
Loss on foreign exchange	(1,711)	-
Unwinding of interest of convertible notes	7,692	(7,692)
Change in fair value of other financial assets	300,887	(197,081)
<b>Total finance income/(expenses)</b>	<b>306,197</b>	<b>(205,071)</b>
<b>Net finance income/(expenses)</b>	<b>320,080</b>	<b>(195,077)</b>

**9. Gain on Deed of Company Arrangement**

On 26 June 2014, \$480,000 was paid to the Deed Administrators under the Deed of Company Arrangement ("DOCA") to terminate the DOCA and fully release the Company from its liabilities to the Creditors.

The original estimated liabilities recorded were \$573,744 resulting in a gain of \$93,744 recorded in the 2014 profit or loss.

**10. Loan Receivable**

	2015	2014
	\$	\$
Loan receivable	65,000	-
	<b>65,000</b>	<b>-</b>

In September 2014, the Company entered into a loan agreement with Cuprum Holdings Limited ("Cuprum") and advanced \$65,000 to Cuprum. The Loan will become immediately repayable if the Transaction does not proceed for any reason other than the Option Deed being terminated as a result of a breach by the Company. The Loan is interest free. In the event the Loan becomes repayable, the Company may in its absolute discretion require Cuprum to grant Security in favour of the Company.

**Windimurra Vanadium Limited**  
**Notes to the financial statements (continued)**  
For the year ended 30 June 2015

**11. Tax**

**a. The components of tax expense comprise:**

	2015 \$	2014 \$
Current tax	-	-
Deferred tax	-	-
	-	-

**b. the prima facie tax on profit before income tax is reconciled to the income tax as follows**

Loss before income tax	(275,279)	(647,110)
Prima facie tax payable on loss before income tax at 30% (2013: 30%)	(82,584)	(194,133)
Tax effect of amounts which are not deductible/(taxable) in calculating taxation income:		
- Non assessable, non-exempt income	12,356	59,124
- -40-880	(3,478)	
Net deferred tax asset arising from temporary differences not recognised	(73,706)	(135,009)
	73,706	135,009
Income tax expense	-	-

The company tax returns for the period under administration have not been filed as of the date of this annual financial report. Potential tax benefits from carried forward losses from prior year have not been recognized and/or disclosed in this annual financial report as the Company believes at this time that it is not probable they will be recovered in the future.

**12. Exploration and evaluation assets**

**Current**

	2015 \$	2014 \$
Exploration and evaluation	300,000	300,000
	300,000	300,000

During the previous year, the Company paid \$300,000 to the Badimia Native Title Claimant Group under the Deferred Mining Agreement. The Company has retained its 100% interest in the Western Australian mining lease M58/272 located in the Murchison Goldfield in Western Australia which was granted on 22 May 2014. The Company is undertaking a review to consider prospectivity and future exploration activities.

**13. Cash and cash equivalents**

**Current**

	2015 \$	2014 \$
Bank balances	64,483	1,994,589
	64,483	1,994,589

**Windimurra Vanadium Limited**  
**Notes to the financial statements (continued)**  
For the year ended 30 June 2015

**14. Trade and other receivables**

	2015	2014
	\$	\$
<b>Current</b>		
Prepayment	6,660	-
GST receivable	151,717	82,921
	<u>158,377</u>	<u>82,921</u>

**15. Trade and other payables**

	2015	2014
	\$	\$
<b>Current</b>		
Trade payables	32,134	411,514
Accrued expenses	42,016	310,991
	<u>74,150</u>	<u>722,505</u>

**16. Loan payable**

	2015	2014
	\$	\$
<b>Current</b>		
Loan payable - unsecured	-	310,000
	<u>-</u>	<u>310,000</u>

In May 2014, IML Holdings Pty Ltd advanced \$300,000 to the Company pursuant to a Loan Agreement. Under the Loan Agreement, the loaned amount and a \$10,000 fee is to be repaid within six months of the Loan Agreement. No interest is to be paid on the loan. In July 2014, the total amount was repaid to IML Holdings Pty Ltd.

**17. Convertible notes**

	2015	2014
	\$	\$
<b>Financial liability</b>		
Opening balance	286,133	500,000
Convertible notes issued during the year <sup>2</sup>	-	278,441
Convertible notes redeemed during the year <sup>1</sup>	-	(500,000)
Convertible notes repaid during the year <sup>3</sup>	(250,000)	-
Unwinding of interest	(7,692)	7,692
Convertible notes converted during the year <sup>3</sup>	(28,441)	-
	<u>-</u>	<u>286,133</u>

	2015	2014
	\$	\$
<b>Equity component</b>		
Opening balance	310,509	-
Convertible notes issued during the year <sup>2</sup>	-	310,509
Convertible notes converted during the year <sup>3</sup>	(310,509)	-
	<u>-</u>	<u>310,509</u>

## Windimurra Vanadium Limited

### Notes to the financial statements (continued)

For the year ended 30 June 2015

#### 17. Convertible notes (continued)

1 During 2013, the Company had issued convertible notes raising \$500,000. On 26 May 2014 and pursuant to Shareholder approval, the convertible notes were converted into 100,000,000 shares at \$0.005 per share.

2 During the year ended 30 June 2014, the Company had successfully issued three tranches of convertible notes raising \$588,950. The Company issued a convertible note to Willis Holdings Limited raising \$548,950 and two separate tranches of convertible notes raising \$20,000 each, convertible into 10,000,000 share per note.

3 On 23 September 2014, \$250,000 was repaid to Willis Holdings Limited and the remaining balance was converted into 29,895,000 shares at a conversion rate of \$0.01 each on 20 January 2015. The two remaining tranches of 10,000,000 of convertible notes were also converted into shares at a conversion rate of \$0.002 each on 20 January 2015.

4 Convertible notes do not bear interest. Effective interest has been unwound for accounting purposes.

#### 18. Loss per share

##### Basic and diluted loss per share

The calculation of basic loss per share at 30 June 2015 was based on the loss attributable to ordinary shareholders of \$275,279 (2014: \$647,110) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2015 of 421,429,544 (2014: 92,418,694).

##### Weighted average number of ordinary shares

Weighted average number of ordinary share at 30 June

	2015	2014
Weighted average number of ordinary share at 30 June	421,429,544	92,418,694

#### 19. Capital and reserves

##### Share capital

##### Fully Paid Ordinary Shares

On issue at 1 July 2013

Capital raising shares issued<sup>1</sup>

Convertible note shares issued<sup>2</sup>

Strategic investor shares issued<sup>3</sup>

Share issue costs

On issue at 30 June 2014

On issue at 1 July 2014

Convertible note shares issued<sup>4</sup>

Convertible note shares issued<sup>5</sup>

Share issue costs<sup>6</sup>

On issue at 30 June 2015

	Number	\$
On issue at 1 July 2013	19,284,366	-
Capital raising shares issued <sup>1</sup>	250,000,000	2,500,000
Convertible note shares issued <sup>2</sup>	100,000,000	500,000
Strategic investor shares issued <sup>3</sup>	30,000,000	-
Share issue costs	-	(261,645)
On issue at 30 June 2014	399,284,366	2,738,355
On issue at 1 July 2014	399,284,366	2,738,355
Convertible note shares issued <sup>4</sup>	20,000,000	28,441
Convertible note shares issued <sup>5</sup>	29,895,000	310,509
Share issue costs <sup>6</sup>	-	2,563
On issue at 30 June 2015	449,179,366	3,079,868

1 On 26 May 2014, the Company issued 250,000,000 shares at an issue price of \$0.01 each.

2 On 26 May 2014, the Company issued 100,000,000 shares at an issue price of \$0.005 each on the conversion of convertible notes.

3 On 26 May 2014, the Company issued 30,000,000 shares at no consideration to Strategic Investors.

4 On 20 January 2015, the Company issued 20,000,000 shares on the conversion of convertible notes.

5 On 20 January 2015, the Company issued 29,895,000 shares on the conversion of the Willis convertible note.

6 This is an overaccrual.

##### Reserves

Convertible notes<sup>1</sup>

	2015	2014
	\$	\$
Convertible notes <sup>1</sup>	-	310,509
	-	310,509

1 Refer to note 17.



**Windimurra Vanadium Limited**  
**Notes to the financial statements (continued)**  
For the year ended 30 June 2015

**20. Financial instruments**

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to the financial statements, are as follows:

	2015	2014
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	64,483	1,994,589
Loan receivable	65,000	-
Financial assets (note 6)	652,955	352,068
<b>Total financial assets</b>	<b>782,438</b>	<b>2,346,657</b>
<b>Financial liabilities</b>		
Trade and other payables	74,150	722,505
Convertible notes	-	286,133
Loan payable	-	310,000
<b>Total financial liabilities</b>	<b>74,150</b>	<b>1,318,638</b>
<b>Total net financial assets</b>	<b>708,288</b>	<b>1,028,019</b>

**Credit risk**

**Exposure to credit risk**

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2015	2014
Cash and cash equivalents	64,483	1,994,589
	<u>64,483</u>	<u>1,994,589</u>

The Company does not currently earn revenue from operating assets, thus there is currently no credit risk on trade receivables at the reporting date by geographic region, customer type or by significant customer.

**Impairment losses**

The Company does not have any receivables that are past due, nor is there a requirement to make any allowances for impairment in respect of other receivables.

**Liquidity risk**

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Company 30 June 2015	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	74,150	74,150	74,150	-	-	-	-
Convertible notes	-	-	-	-	-	-	-
Loan payable	-	-	-	-	-	-	-
<b>Company 30 June 2014</b>							
Trade and other payables	722,505	722,505	722,505	-	-	-	-
Convertible notes	286,133	250,000	-	250,000	-	-	-
Loan payable	310,000	310,000	310,000	-	-	-	-

## Windimurra Vanadium Limited

### Notes to the financial statements (continued)

For the year ended 30 June 2015

#### 20. Financial instruments (continued)

##### Currency risk

##### Exposure to currency risk

During the year ended 30 June 2015, the Company was exposed to currency risk to the extent that there is a mismatch between the currencies in which purchase are denominated and the respective functional currency of the Company. Generally, purchases are denominated in the currency that matches the cash flows generated by the underlying operations of the Company; being Australian dollars.

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	2015 USD	2014 USD
Trade and other payables	61,793	3,565
Total financial liabilities	<b>61,793</b>	<b>3,565</b>
	2015 GBP	2014 GBP
Trade and other payables	997	-
Total financial liabilities	<b>997</b>	-

##### Interest rate risk

The Company's exposure to interest rate risk and the effective interest rate for classes of financial assets and financial liabilities is set out below:

	Floating interest rate \$	2015 total \$	Floating interest rate \$	2014 total \$
Financial assets				
<b>-Within one year</b>				
Cash and cash equivalents	64,483	<b>64,483</b>	1,994,589	<b>1,994,589</b>
Total financial assets	64,483	<b>64,483</b>	1,994,589	<b>1,994,589</b>
Effective interest rate	1.50%		2.36%	
Financial liabilities				
<b>-Within one year</b>				
Total financial liabilities	-	-	-	-

The Company is exposed to interest rate risk as the Company hold funds on deposit at floating interest rates.

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to Directors and represents management's assessment of the possible change in interest rates.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Company's net revenue would increase by \$322 and decrease by \$322 respectively (2014: \$9,973).

**Windimurra Vanadium Limited**  
**Notes to the financial statements (continued)**  
For the year ended 30 June 2015

**21. Reconciliation of cash flows from operating activities**

	2015 \$	2014 \$
<b>Cash flows from operating activities</b>		
Loss for the period	(275,279)	(647,110)
Gain on Deed of Company Arrangement	-	(93,744)
Finance expense	-	218,338
Convertible note effective interest	(7,692)	-
Change in fair value of option	(300,887)	-
Overaccrual	2,564	-
(Increase) in trade and other receivables	(6,660)	(34,117)
Increase/(Decrease) in trade and other payables	(717,152)	95,049
<b>Net cash from operating activities</b>	<b>(1,305,106)</b>	<b>(461,584)</b>

Non-cash financing activities - refer to note 19 regarding shares issued on conversion of convertible notes.

**22. Related Party Transactions**  
**Key management personnel compensation**

	2015 \$	2014 \$
<b>The key management personnel compensation are as follows:</b>		
Short-term employee benefits	177,418	78,000
	<b>177,418</b>	<b>78,000</b>

**Other transactions with related parties**

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the Company in the reporting period. These are as follows:

**Legal services:**

Paul Price is a Director of Price Sierakowski Pty Ltd ("Price Sierakowski"), which provided the Company with legal services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount incurred for the year ended 30 June 2015 was \$21,820 (2014: \$93,299). As at 30 June 2015, the amount payable to Price Sierakowski is \$nil (2014: \$88,970)

**Consultancy services:**

Jason Ferris is a Director of J2J Investments Pty Ltd ("J2J"), which provided the Company with consultancy services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount incurred for the year ended 30 June 2015 was \$36,000 (2014: \$nil). As at 30 June 2015, the amount payable to J2J is \$6,000 (2014: \$nil).

**Windimurra Vanadium Limited**  
**Notes to the financial statements (continued)**  
For the year ended 30 June 2015

**22. Related Party Transactions (continued)**

**Accounting services:**

KC Ong is a Director of Trident Management Services Pty Ltd ("Trident Management Services"), which provided the Company with accounting services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount incurred for the year ended 30 June 2015 was \$81,431 (2014: \$45,962). As at 30 June 2015, the amount payable to Trident Management Services is \$5,316 (2014: \$74,843.91).

**Capital raising services:**

Paul Price is a Director of Trident Capital Pty Ltd ("Trident Capital"), which assisted the Company in raising capital. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount incurred for the year ended 30 June 2015 was \$50,800 (2014: \$54,632). As at 30 June 2015, the amount payable to Trident Capital is \$nil (2014: \$54,632).

**Rental services:**

Trident Capital provided the Company with rental services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount incurred for the year ended 30 June 2015 is \$24,000 (2014: \$Nil). As at 30 June 2015, the amount payable to Trident Capital is \$Nil (2014: \$Nil).

**Reimbursements:**

During the year, \$4,584 (ex gst) was paid to J2J Investments and \$675 (ex gst) was paid to Woodchester Capital. Both amounts were for Jason Ferris in relation to reimbursements (2014: \$nil). \$10,443 (ex gst) was paid to Ryan Rockwood in relation to reimbursements (2014: \$nil). \$16,107 (ex gst) was paid to Badger Resources for Graham Chapman in relation to reimbursements.

**Option Agreement:**

In March 2014, the Company entered into an Option Agreement with Srinel Holdings Limited ("Srinel"), a company of which Ryan Rockwood is a Director. In December 2015, the Company exercised its option to acquire 100% of the issued capital of Srinel. Refer to note 6.

**Loan Agreement:**

In September 2014, the Company entered into a loan agreement with Cuprum Holdings Limited ("Cuprum") and advanced \$65,000 to Cuprum. Ryan Rockwood is a Director of Cuprum. Refer to note 10 for further details.

There were no other transactions with Directors and key management personnel in the current financial year.

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## Windimurra Vanadium Limited

### Notes to the financial statements (continued)

For the year ended 30 June 2015

#### 23. Segment Reporting

The Company operates in one reportable segment, being mineral exploration and the Company operates in two geographical locations, being Australia and Sri Lanka. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources in the Company.

The geographical information for the Company is as follows:

#### Segment Revenue and Results

	Segment revenue		Segment profit/loss	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	\$	\$	\$	\$
Mineral exploration - Sri Lanka	-	-	(83,738)	(27,932)
Mineral exploration - Australia	-	-	(3,525)	-
Total for continuing operations			(87,263)	(27,932)
Financing income (net of financing expenses)			320,080	(195,077)
Administration costs and directors' fees			(508,094)	(424,101)
<b>Loss before tax (continuing operations)</b>			<b>(275,278)</b>	<b>(647,110)</b>

#### Segment Assets

	2015	2014
	\$	\$
Mineral exploration - Sri Lanka	652,955	352,068
Mineral exploration - Australia	300,000	300,000
Total segment assets	952,955	652,068
Unallocated	287,860	2,077,780
<b>Total assets</b>	<b>1,240,815</b>	<b>2,729,848</b>

#### Segment Liabilities

	2015	2014
	\$	\$
Mineral exploration - Sri Lanka	-	24,368
Mineral exploration - Australia	4,769	300,000
Total segment liabilities	4,769	324,368
Unallocated	69,381	994,270
<b>Total liabilities</b>	<b>74,150</b>	<b>1,318,638</b>

**Windimurra Vanadium Limited**  
**Notes to the financial statements (continued)**  
For the year ended 30 June 2015

**24. Subsequent Events**

There are no events subsequent to 30 June 2015.

**25. Commitments and Contingencies**

**Office Accommodation Services**

Beginning from 1 July 2015, the Company had entered into a service agreement with Trident Capital Pty Ltd of a period of 1 year.

**Commitments no longer than 1 year**

Annual office accommodation services

	2015 \$	2014 \$
	24,000	24,000
	<u>24,000</u>	<u>24,000</u>

**M58/272 Tenement Commitments**

On 22 May 2014, the Company was granted the Western Australian mining lease M58/272 located in the Murchison Goldfield in Western Australia. The tenement commitments per the Department of Mines and Petroleum for the period of 1 year is as follows:

**Commitments no longer than 1 year**

Annual expenditure

Annual tenement rent

	2015 \$	2014 \$
	63,400	63,400
	10,207	6,340
	<u>73,607</u>	<u>69,740</u>

**26. Auditors' Remuneration**

**Audit and other non-audit services**

Auditors of the Company

*KPMG Australia:*

Audit and review of financial reports

*BDO Audit (WA):*

Audit and review of financial reports

Taxation services

	2015 \$	2014 \$
	-	34,445
	-	34,445
	<u>32,956</u>	-
	1,530	-
	<u>34,486</u>	-

## Windimurra Vanadium Limited Directors' declaration

The directors of Windimurra Vanadium Limited ("the Company") declare that:

- 1) the financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
  - a) giving a true and fair view of the financial position of the Company as at 30 June 2015 and of its performance, as represented by the results of its operations and cash flows, for the financial year ended on that date; and
  - b) comply with Accounting Standards in Australia and the Corporations Regulations 2001; and
- 2) whilst drawing attention to the disclosure as set out in Note 2, 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 financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295(a) of the Corporations Act 2001.

Dated at Perth this 30<sup>th</sup> day of September 2015

Signed in accordance with a resolution of the directors:



Jason Ferris  
Director

## INDEPENDENT AUDITOR'S REPORT

To the members of Windimurra Vanadium Limited

### Report on the Financial Report

We have audited the accompanying financial report of Windimurra Vanadium Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### Directors' Responsibility 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 Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

#### Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Windimurra Vanadium Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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## Opinion

In our opinion:

- (a) the financial report of Windimurra Vanadium Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

## Emphasis of matter

Without modifying our opinion, we draw attention to Note 2 in the financial report, which indicates that the ability of the company to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the company's tenements, and/or sale of assets. These conditions, along with other matters as set out in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

## Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. 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.

## Opinion

In our opinion, the Remuneration Report of Windimurra Vanadium Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd



Dean Just

Director

Perth, 30 September 2015

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF WINDIMURRA VANADIUM LIMITED

As lead auditor of Windimurra Vanadium Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Dean Just  
Director

BDO Audit (WA) Pty Ltd  
Perth, 30 September 2015

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## Windimurra Vanadium Limited

### Additional shareholder information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information was applicable as at 22 September 2015.

#### A. Distribution of Equity Securities

Analysis of numbers of security holders by size of holding:

Distribution	Number of shareholders	Number of Shares
1 – 1,000	1,463	523,962
1,001 – 5,000	570	1,224,887
5,001 – 10,000	82	572,592
10,001- 100,000	68	2,906,465
More than 100,000	178	443,951,460
<b>Totals</b>	<b>2,362</b>	<b>449,179,366</b>

There were 2,175 shareholders holding less than a marketable parcel of ordinary shares calculated at \$0.005 per share being the price of the proposed capital raising.

#### B. Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below:

Shareholder Name	Issued Ordinary Shares	
	Number	Percentage Quoted
KING GEORGE V NOMINEES LTD	59,522,928	9.99
MR LAURENT LEYENDECKER	20,000,000	8.49
MR JASON PETERSON + MRS LISA PETERSON <J&L PETERSON S/F A/C>	20,000,000	6.68

#### C. Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are listed below:

Shareholder Name	Listed Ordinary Shares	
	Number	Percentage Quoted
KING GEORGE V NOMINEES LTD	44,895,000	9.99
MR LAURENT LEYENDECKER	38,142,000	8.49
MR JASON PETERSON + MRS LISA PETERSON <J&L PETERSON S/F A/C>	30,000,000	6.68
TRIDENT CAPITAL PTY LTD	20,000,000	4.45
CANCUN TRADING PTY LTD	15,914,851	3.54
HEEDFUL PTY LTD <ASSURED S/F A/C>	15,000,000	3.34
AEGEAN CAPITAL PTY LTD <THE SPARTACUS A/C>	12,800,000	2.85
IML HOLDINGS PTY LTD	11,120,000	2.48
AGENS PTY LTD <THE MARK COLLINS FAMILY A/C>	10,000,000	2.23
MR ADAM SIERAKOWSKI <THE WARSAW A/C>	10,000,000	2.23
CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	9,856,472	2.19
BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	8,500,000	1.89
DOF NOMINEES PTY LTD <DAVID FARRIS SUPER FUND A/C>	7,536,238	1.68
NEFCO NOMINEES PTY LTD	7,512,815	1.67
PAUL BATE	6,000,000	1.34
CITIBANK NOMINEES PTY LTD	6,000,000	1.34
GEORGE ROBINSON	6,000,000	1.34
SHARIC SUPERANNUATION PTY LTD <FARRIS SUPER FUND A/C>	5,450,000	1.21
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,067,933	1.13
MR BIN LIU	5,000,000	1.11
<b>Top 20 Total</b>	<b>274,795,309</b>	<b>61.18</b>

## Windimurra Vanadium Limited

### Additional shareholder information (continued)

#### **D. Voting Rights**

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person (or representing a corporation who is a member) shall have one vote and upon a poll, each share will have one vote.

#### **E. On-market buy-back**

There is no current on-market buy-back.

#### **F. Restricted Securities**

There are currently no restricted securities.

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