



31 July 2014

QUARTERLY OPERATIONS REPORTS TO 30 JUNE 2014

- Successful completion of \$2.5 million capital raising
- Grant of Mining Lease M58/272
- Deed of Company Arrangement Wholly Effectuated
- Reinstatement to Official Quotation on ASX
- Option Agreement to acquire Sri Lankan Mineral Sands Project

CORPORATE

During the June 2014 quarter, Windimurra Vanadium Limited ("**Company**") successfully completed its restructure and was subsequently reinstated to official quotation on the ASX on 4 July 2014. The restructure included completion of the following:

- Issuing 250,000,000 Shares to investors under a prospectus to raise \$2,500,000;
- Issuing 100,000,000 Shares pursuant to the conversion of Convertible Notes; and
- Issuing 30,000,000 Shares to the Strategic Investors to facilitate completion of the transaction.

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

On 22 May 2014, Western Australian mining lease M58/272 (**Windimurra Tenement**) was granted to the Company. For the purposes of obtaining the grant of the Windimurra Tenement, the Company paid the amount of \$300,000 to the Badimia People in exchange for the executed State Deed as contemplated in the Company's Prospectus dated 4 April 2014.

It is proposed that a suitable management team be deployed to explore and potentially develop the Windimurra Tenement. The management team will also investigate the value of the Windimurra Tenement in light of its proximity to the vanadium mine (**Windimurra Vanadium Mine**) currently owned by Atlantic Limited. The Directors note, however, that a significant fire occurred at the Windimurra Vanadium Mine in February 2014 and it is understood that it may take approximately 9 months for the plant to be re-built.

The geological features upon which the Windimurra Vanadium Mine is located extend into the Windimurra Tenement. As a result of its strategic location, the Company intends to conduct exploration activities on the Windimurra Tenement with a view to determining whether or not an economic resource exists.

SRI LANKAN PROJECT

The Company has entered into an option agreement (**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**). Srinel is an unlisted company registered in Mauritius which owns 13 mining tenements prospective for heavy mineral sands in Sri Lanka (**Sri Lankan Project**).

Following ASX Reinstatement, the Company intends to continue its due diligence investigations into the Sri Lankan Project. If the Company is satisfied with its findings, the Company will 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. Whilst the Company is proceeding on the basis that re-compliance is required, it intends to re-confirm ASX's position on this requirement closer to the time of any proposed exercise of the Call Option.

The Sri Lankan Project spans approximately 14% of Sri Lanka's entire coastline. Previous auger drilling has been conducted on parts of the Sri Lankan Project which has identified the existence of heavy mineral enrichment and the potential for high grade mineral sands resources. There is potential for the auger drilling to enable a JORC resource calculation and, therefore, it is expected that limited further exploration is required to achieve this outcome.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Windimurra Vanadium Limited

ABN

65 009 131 533

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) administration	(32)	(217)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	10	10
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other:		
	(a) Payment to Claimant Group re ML5/272	(300)	(300)
	(b) Payment to Administrators as per Deed of Company Arrangement	(480)	(480)
Net Operating Cash Flows		(802)	(987)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other:		
	(a) Option fee on Sri Lankan project	-	(550)
Net investing cash flows		-	(550)
1.13	Total operating and investing cash flows (carried forward)	(802)	(1,537)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(802)	(1,537)
1.14	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,500	2,500
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	300	300
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other:		
	(a) Capital raising costs	(11)	(11)
	(b) Convertible notes	-	589
	Net financing cash flows	2,789	3,378
	Net increase (decrease) in cash held	1,987	1,841
1.20	Cash at beginning of quarter/year to date	7	153
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,994	1,994

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	NIL
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	174
4.2 Development	-
4.3 Production	-
4.4 Administration	1,027
Total	1,201

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,994	7
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details) – Term Deposit	-	-
Total: cash at end of quarter (item 1.22)	1,994	7

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	NIL			
6.2 Interests in mining tenements acquired or increased	NIL			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	NIL	NIL		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	399,284,366	399,284,366		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1. 250,000,000 2. 100,000,000 3. 30,000,000	1. 250,000,000 2. 100,000,000 3. 30,000,000 All issued on 26 May 2014.	1. 1 cent 2. 0.5 cent 3. Nil cents	1. 1 cent 2. 0.5 cent 3. Nil cents
7.5 *Convertible debt securities <i>(description)</i>	Nil	Nil		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	100,000,000	100,000,000 Converted on 26 May 2014.	0.5 cents	0.5 cents
7.7 Options <i>(description and conversion factor)</i>	Nil	Nil		
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>	Nil	Nil		
7.12 Unsecured notes <i>(totals only)</i>	Nil	Nil		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 31 July 2014

(Company secretary)

Print name:

Nicki Farley

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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