



WINDWARD
RESOURCES LTD

Quarterly Activities Report

– For Immediate Release –

HIGHLIGHTS

- **Extensive airborne EM survey completed for Fraser Range North (FRN) - Several First and Second Order Conductors Identified**
- **Diamond Drilling Completed at Kendenup, Fraser Range South (FRS) - Zones of Low-Level Gold Intersected**

During the quarter ending 30 September 2014 Windward Resources Limited (**Company**) continued exploration on both the Fraser Range South (**FRS**) and Fraser Range North (**FRN**) Projects. **Figure: 1** below details the location of the Company's Fraser Range Project Tenements.

CORPORATE DIRECTORY

Non Executive Chair
Bronwyn Barnes

Managing Director & CEO
David J Frances

Non-Executive Directors
Stephen Lowe
George Cameron-Dow

Company Secretary
Stephen Brockhurst

FAST FACTS

Issued Capital: 88m
Options Issued: 4.08m
Debt: Nil
Cash: \$4.5M
(as at 30 September 2014)

CONTACT DETAILS

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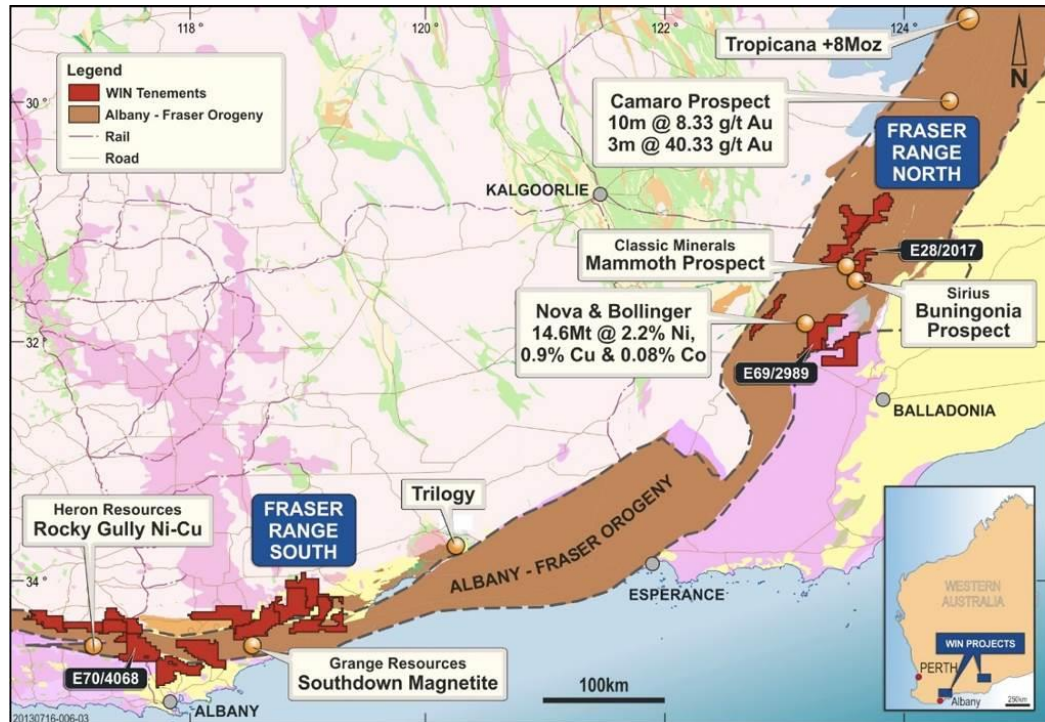


Figure 1: Windward Project Locations – FRN and FRS.

FRASER RANGE NORTH PROJECT (FRN)

The FRN Project comprises 7 tenements covering a total of 2,174 km², located in the Fraser Range of Western Australia. Three tenement applications (105 km²) are pending. The tenements extend approximately 180 km from Zanthus in the north to Fraser Range Station in the south. The tenements are located in the Albany – Fraser Orogen consisting of a number of paleo-Proterozoic high grade and structural domains that parallel the NE trending margin of the Yilgarn Craton.

Exploration activities at the (FRN) project continued during the quarter with a number of programs being completed. These included Airborne (HeliTEM) EM survey, surface geochemistry and ground truthing target areas.

AIRBORNE EM SURVEY

The completed airborne electromagnetic (AEM) survey (1,200 line km) covered a number of targets within the “WinEye” tenement E69/2989 and the western area of E28/2017 (Mammoth Target). The areas covered are shown in **Figure 2**.

Preliminary data assessment of this AEM survey has identified numerous conductors with several first-order and second-order conductors immediately apparent. First-order conductors were identified at the Turcaud, WinEye, and Cundeelee prospects. Ground EM will commence within the next four weeks over all of the first order-targets and some second-order targets which have other supporting data, such as elevated surface geochemistry and/or previously identified as a structural target. Further processing of the HeliTEM data is expected to identify more targets which will be ranked and prioritised for follow-up work.

The Turcaud prospect (**Figure 2**) was initially identified as a structural target and was subsequently covered by surface geochemical sampling. Sandy soils returned subdued but contourable and coincident nickel (>40ppm), copper (>23ppm), and cobalt (>10ppm) anomalism. These surface geochemical anomalies lie directly over first-order conductors identified from the AEM survey.

The WinEye prospect (**Figure 2**) is an interpreted intrusive feature with similarities to the intrusive feature which hosts Sirius Resources’ Nova-Bollinger Ni-Cu deposit 17km to the south-west. A first-order conductor has been identified at the southern end of the eye feature.

The Cundeelee prospect (**Figure 2**) was chosen for AEM (HeliTEM) assessment based on conceptual structural targeting using the detailed magnetics captured earlier in the exploration programme. Several first and second-order conductors have been identified from the HeliTEM and will be followed up with ground EM, within the next four weeks, to further define the conductors which will enable more accurate modelling and targeted drilling. Drilling is expected to commence in the December quarter.

Managing Director David Frances commented “We have been working diligently over the past 12-months to get to this point and to have defined first-order EM conductors where we predicted, and hoped, they would be is a great effort by the team and very encouraging – I look forward to the drill results”.

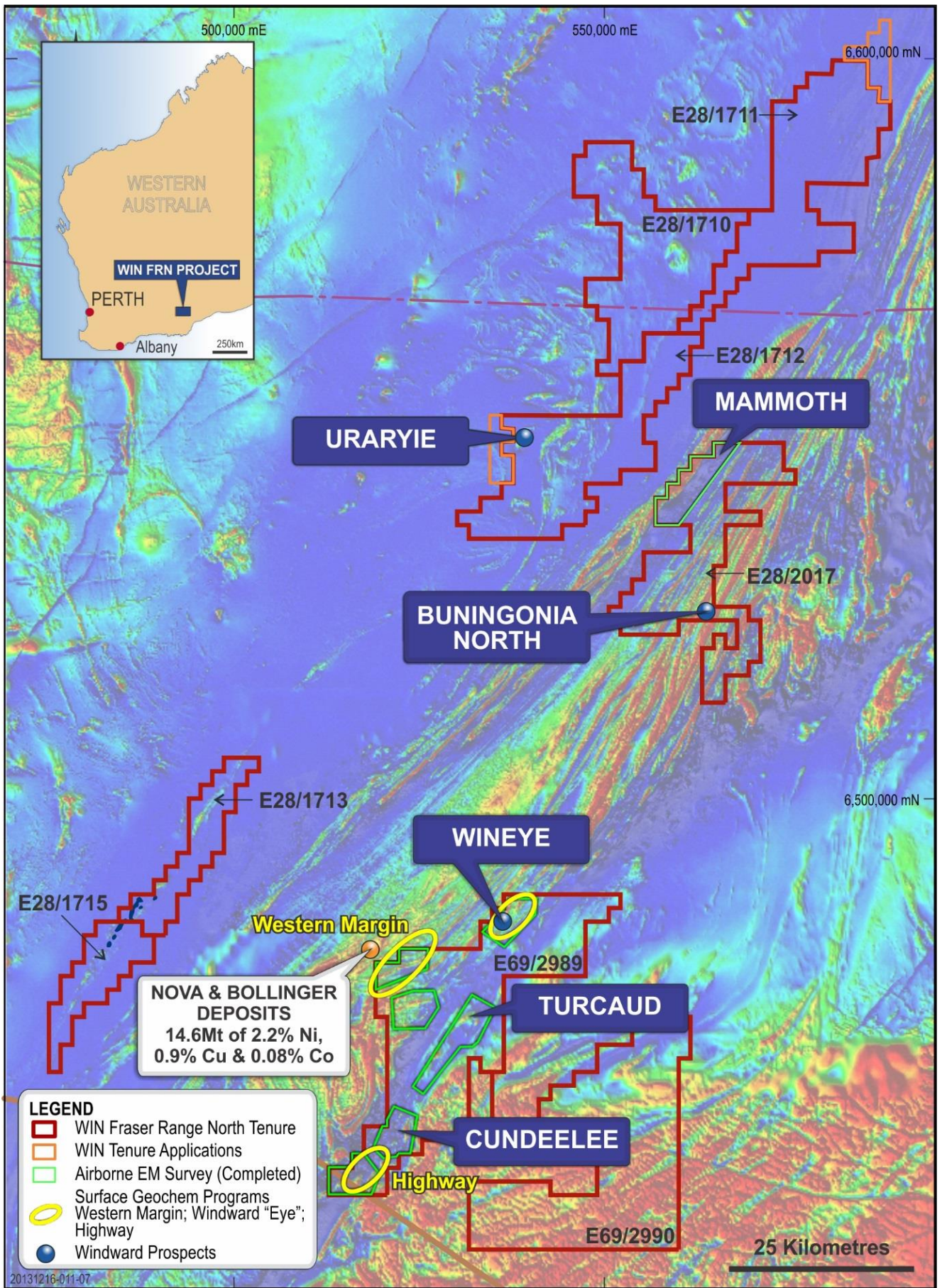


Figure 2: FRN – Work Programs completed during the September 2014 Quarter.

CARBONATITE TARGET – E28/1712

Reverse circulation drill-testing of an interpreted carbonatite target (Urariye Carbonatite prospect) in the FRN project area is planned to commence in the December quarter (**Figure 3**). A Program of Works (POW) to complete this drilling has been approved by the Department of Mines and Petroleum (DMP). Previous historical drilling targeting diamonds was ineffective, with only one hole penetrating beyond the overlying cover formations. This hole was only drilled to 36m depth and returned elevated rare earth elements (REE's) with 1m at 0.43% Lanthanum, 0.27% Cerium, and 560ppm Yttrium from 32-33m in highly weathered bedrock (only three 1m samples were collected from the hole over the interval 30-33m). Auger soil/calcrete sampling over this feature returned the highest phosphorus concentrations (up to 770ppm P) of all the surface geochemical sampling in the FRN project area.

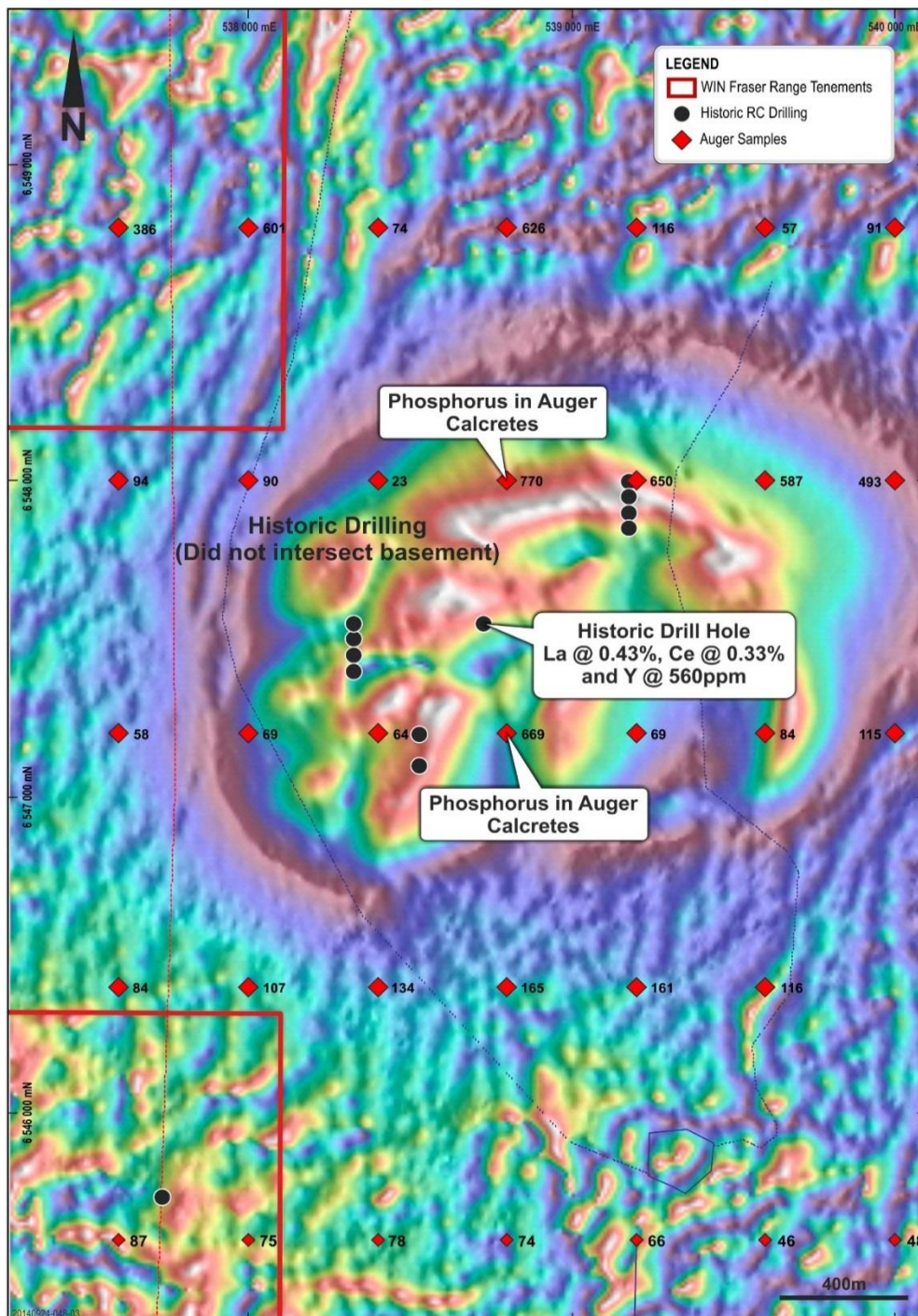


Figure: 3 – FRN E28/1712 Interpreted carbonatite on RTP TILT NEagcs Linear magnetics background image.

FRASER RANGE SOUTH PROJECT (FRS)

The FRS Project comprises 14 tenements covering a total of 5,615 km², located in the Great Southern and South West of Western Australia. The project tenements extend from Lake Muir in the west to Jerramungup in the east, a distance of approximately 250 km. The project tenements cover the western and southern extensions of the Albany-Fraser Orogen and the South West Yilgarn Craton.

Work at FRS during the September quarter focused on drilling of the Kendenup prospect and some roadside sampling. The total first-pass roadside geochemical coverage at the FRS project is shown in **Figure 4**. Samples were collected approximately every 500m along accessible roads and tracks and submitted for multi-element analysis. A number of base and precious metals targets have been identified for follow up sampling and further investigation.

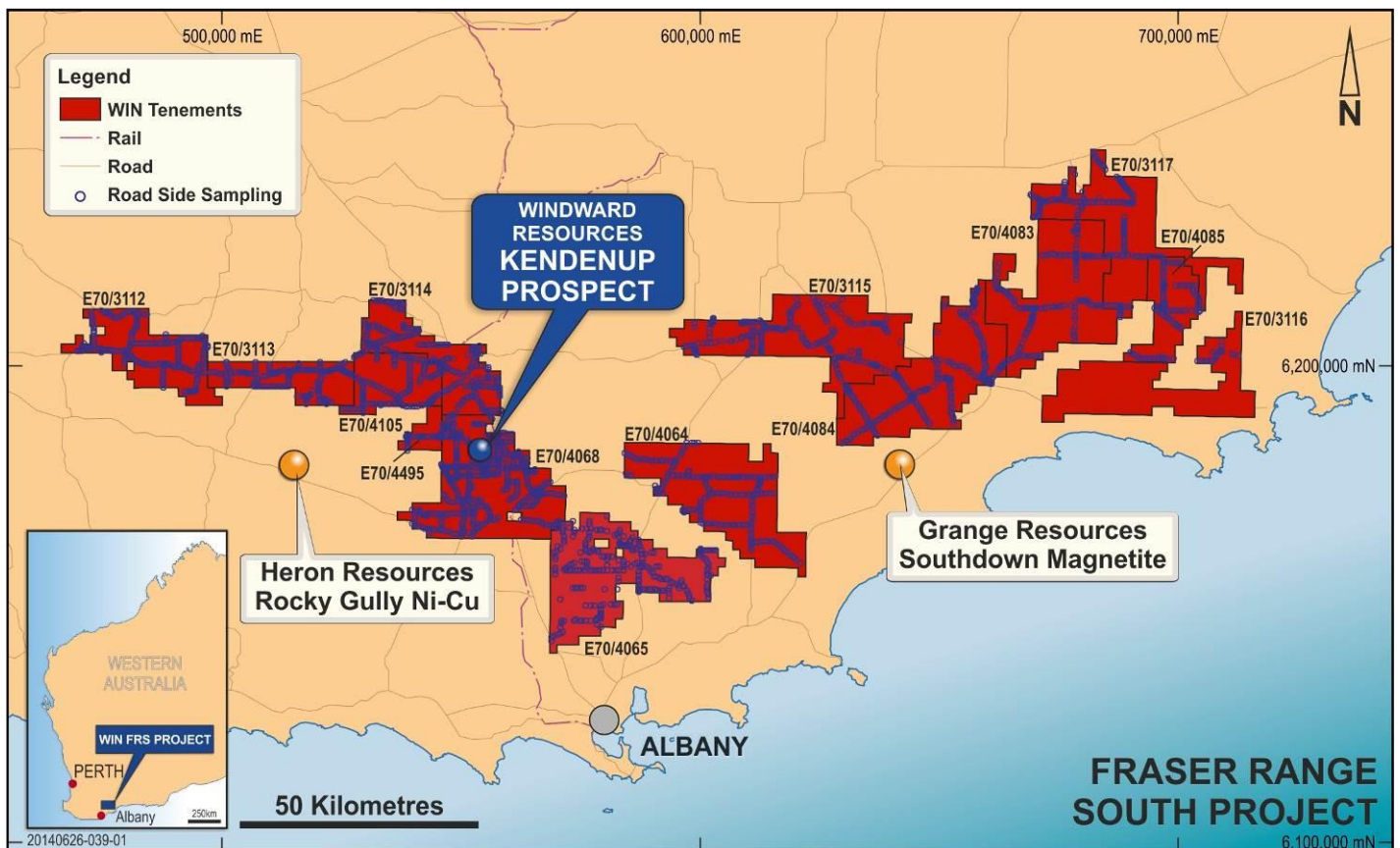


Figure 4: FRS project tenements showing roadside sampling coverage.

KENDENUP NICKEL TARGET

Diamond drilling (2 holes for 522m) was completed at the Kendenup prospect within the FRS Project area, testing a coincident EM (HeliTEM and ground EM) and surface geochemical anomaly.

Hole ID	Easting (GDA94 – Zone 50)	Northing (GDA94- Zone50)	RL (AHD m)	Azimuth (Magnetic degrees)	Dip (Degrees)	Total Depth (m)
14KDDH001	553,317	6,181,478	262	010	-60	215.7
14KDDH002	553,185	6,181,479	262	010	-60	306.3

These holes were drilled to test a conductor identified by HeliTEM, and confirmed by ground EM, sitting beneath a nickel in soil anomaly. Drilling intersected highly weathered clay over pyroxenite with up to 5,000ppm nickel, which explains the nickel in soil anomaly but is not of itself considered to be of commercial significance. Both holes intersected several zones of low-level gold mineralisation up to 100ppb Au and zones of graphite/sulphide, predominantly pyrite, but chalcopyrite also occurs. The main graphitic/sulphidic zones explain the modelled conductor.

Graphite is present as breccia, veins and veinlets and is interpreted to be the result of deposition from a migrating supercritical carbon bearing fluid. The drill holes are likely on the margin of a large system with graphite infilling cracks and faults surrounding the major deep tapping lineament – the South Boddington Fault, which runs through the prospect area.

Pervasive albite and biotite alteration is present throughout the holes. Carbonatites, and gabbros were also intersected in both holes. Quartz, graphite and carbonate veining is common in both holes. Petrological samples have been taken and a decision on any further work will be made after the petrology is complete. Morphologically the rocks appear similar to those described on the margins of the Albany graphite deposit – Northern Ontario, Canada (**Figure: 5**), and the alteration zone associated with gold mineralised veins at the Erikson gold mine in British Columbia, Canada. The petrological studies are expected to help shed light on the genesis of the graphite, its importance in the system, and possibly any relationship to the gold mineralisation.

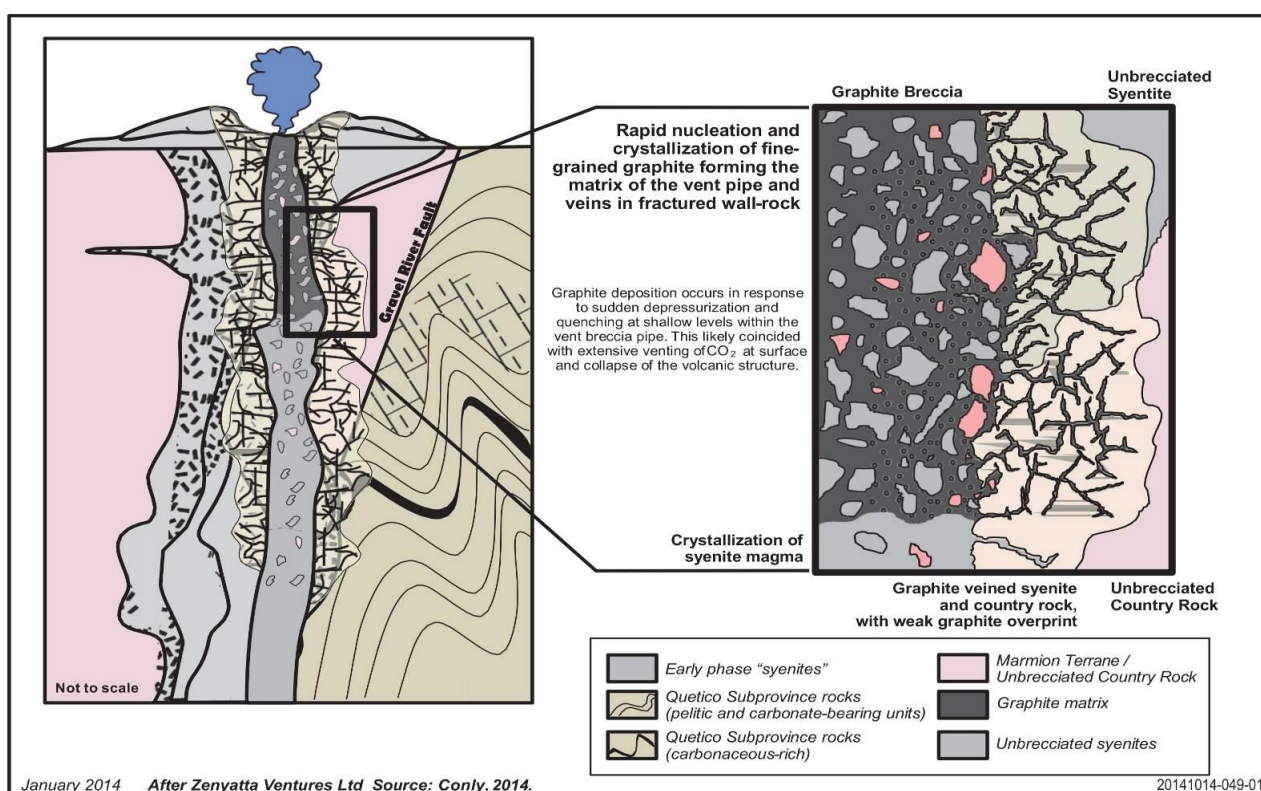


Figure 5: Albany graphite deposit model – (Ontario, Canada).

EXPLORATION PLANS – CALENDAR YEAR Q4

The Company's exploration programme for CY-Q4 includes the following;

- Ground EM surveys and drill testing of conductors identified in HeliTEM surveys (FRN)
- Complete further follow-up geochemical sampling on identified targets within the FRS Project
- Completion of surface geochemical programmes of targets on the FRN (WinEye) tenement (E69/2989)
- Aircore drilling to be completed across a number of targets on the FRN (WinEye) tenement (E69/2989)
- Completion of RC drilling programme at Uraryie Carbonatite target (E28/1712)

The Company continues to rapidly advance its knowledge base on the FRN and FRS projects by careful and persistent exploration with the aim of making a significant discovery.

The Company will make regular updates to shareholders as results become available.

CORPORATE

Subsequent to the end of the quarter 18,772,031 shares were released from escrow on 17 October 2014. – These shares relate to the acquisition associated with the Fraser Range transaction, completed 17 October 2013 and are held by the Creasy Group.

ASX ANNOUNCEMENTS

During the September Quarter 2014 and up to the date for this report, Windward Resources released the following announcements.

DATE	TITLE
21/10/2014	Notice of Annual General Meeting/Proxy Form
20/10/2014	First-Order Conductors Identified - Fraser Range North
03/10/2014	Release from Escrow
01/10/2014	Paydirt Nickel Conference Presentation
29/09/2014	Shareholder Update
24/09/2014	Annual Report to shareholders
12/09/2014	Airborne EM Survey to Commence - Fraser Range North
25/08/2014	Drilling Commenced - Kendenup Nickel Target
11/08/2014	Appointment of Chair
01/08/2014	Corporate Presentation
31/07/2014	Quarterly Activities and Cashflow Report
22/07/2014	Drilling to Commence - Kendenup Nickel Target
17/07/2014	Cancellation of Unlisted Options

David J Frances
Managing Director & CEO

Competent Persons Statement

The information in this document that relates to exploration results is based upon information compiled by Mr Alan Downie, a full-time employee of Windward Resources Limited. Mr Downie is a Member of the Australasian Institute of Mining and Metallurgists (AusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Downie consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

- END -

Appendix 1: Windward Resources Limited – Tenement Information as Required by Listing Rule 5.3.3

TENEMENT	PROJECT	LOCATION	Change in Holding (%)	Holding (%)	TENSTATUS	JOINT VENTURE PARTNER	JOINT VENTURE
E 70/3112	Fraser Range South	Rocky Gully	70%	70%	LIVE	CREASY, MARK GARETH	Fraser Range Tenement Sale and Joint Venture Agreement
E 70/3113	Fraser Range South	Frankland	70%	70%	LIVE	CREASY, MARK GARETH	Fraser Range Tenement Sale and Joint Venture Agreement
E 70/3114	Fraser Range South	Cranbrook	70%	70%	LIVE	CREASY, MARK GARETH	Fraser Range Tenement Sale and Joint Venture Agreement
E 70/3115	Fraser Range South	Borden	70%	70%	LIVE	CREASY, MARK GARETH	Fraser Range Tenement Sale and Joint Venture Agreement
E 70/3116	Fraser Range South	Bremer Bay	70%	70%	LIVE	CREASY, MARK GARETH	Fraser Range Tenement Sale and Joint Venture Agreement
E 70/3117	Fraser Range South	Jerramungup	70%	70%	LIVE	CREASY, MARK GARETH	Fraser Range Tenement Sale and Joint Venture Agreement
E 70/4064	Fraser Range South	South Stirling	70%	70%	LIVE	NBX PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
E 70/4065	Fraser Range South	Narrikup	70%	70%	LIVE	NBX PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
E 70/4068	Fraser Range South	Mt Barker	70%	70%	LIVE	NBX PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
E 70/4083*	Fraser Range South	Gairdner	0%	*0%	LIVE	NBX PTY LTD	Farm In and Joint Venture Agreement
E 70/4084	Fraser Range South	Chillinup	70%	70%	LIVE	NBX PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
E 70/4085*	Fraser Range South	Marnigarup	0%	*0%	LIVE	NBX PTY LTD	Farm In and Joint Venture Agreement
E 70/4105	Fraser Range South	Nunijup	70%	70%	LIVE	GREAT SOUTHERN GOLD PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
E 70/4495	Fraser Range South	Kendenup West	70%	70%	LIVE	NBX PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
E 69/2989	Fraser Range North	Fraser Range	70%	70%	LIVE	PONTON MINERALS PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement

TENEMENT	PROJECT	LOCATION	Change in Holding (%)	Holding (%)	TENSTATUS	JOINT VENTURE PARTNER	JOINT VENTURE
E 28/1710	Fraser Range North	Zanthus	0%	0%	Relinquished	LAKE RIVERS GOLD PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
E 28/1711	Fraser Range North	Zanthus	70%	70%	LIVE	LAKE RIVERS GOLD PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
E 28/1712	Fraser Range North	Zanthus	70%	70%	LIVE	LAKE RIVERS GOLD PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
E 28/1713	Fraser Range North	Fraser Range	70%	70%	LIVE	LAKE RIVERS GOLD PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
E 28/1715	Fraser Range North	Fraser Range	70%	70%	LIVE	LAKE RIVERS GOLD PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
E 28/2017	Fraser Range North	Fraser Range	70%	70%	LIVE	PONTON MINERALS PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
E 69/2990	Fraser Range North	Fraser Range	70%	70%	LIVE	PONTON MINERALS PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
ELA 28/2458	Fraser Range North	Zanthus	0%	0%	APPLICATION	Creasy Group	Fraser Range Tenement Sale and Joint Venture Agreement
ELA 28/2459	Fraser Range North	Zanthus	0%	0%	APPLICATION	Creasy Group	Fraser Range Tenement Sale and Joint Venture Agreement
ELA 69/3283	Fraser Range North	Balladonia	0%	0%	APPLICATION	Creasy Group	Fraser Range Tenement Sale and Joint Venture Agreement

Note: Asterix (*) denotes that Windward Resources have the right to earn up to 70% tenements E70/4083 and E70/4085 by meeting specific expenditure milestones

Appendix 5B

Mining exploration entity and oil and gas 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, 01/05/2013

Name of entity

WINDWARD RESOURCES LTD

ABN

38 158 432 270

Quarter ended ("current quarter")

30 SEPTEMBER 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(1,230)	(1,230)
(b) development	-	-
(c) production	-	-
(d) administration	(264)	(264)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	40	40
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(1,454)	(1,454)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(3)	(3)
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 (provide details if material)	-	-
Net investing cash flows	(3)	(3)
1.13 Total operating and investing cash flows (carried forward)	(1,457)	(1,457)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,457)	(1,457)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – cost of share issues	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(1,457)	(1,457)
1.20	Cash at beginning of quarter/year to date	5,948	5,948
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	4,491	4,491

Payments to directors of the entity, associates of the directors, 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	109
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 – Amount comprises director fees paid to non-executive directors and executive management.

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

N/A

+ See chapter 19 for defined terms.

- 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

N/A

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	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	947
4.2 Development	-
4.3 Production	-
4.4 Administration	179
Total	1,126

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	626	1,913
5.2 Deposits at call	3,865	4,035
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	4,491	5,948

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	E28/1710	70%	0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil	Nil	Nil

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>	-	-	-
7.2	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-
7.3	+Ordinary securities	88,057,031	63,379,000	-
7.4	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs	-	-	-
	(c) escrow release	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.5	+Convertible debt securities <i>(description)</i>	-	-	-	-
7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	-	-	-	-
7.7	Options <i>(description and conversion factor)</i>			Exercise	Expiry Date
	400,000	-		\$0.25	1/7/16
	500,000	-		\$0.40	1/7/16
	500,000	-		\$0.40	1/7/18
	500,000	-		\$0.60	1/7/18
	500,000	-		\$0.80	1/7/18
	880,000	-		\$0.40	1/9/16
	800,000	-		\$0.50	1/9/16
7.8	Issued during quarter	-	-	Exercise -	Expiry Date -
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	150,000	-	\$0.40	1/9/16
7.11	Debentures <i>(totals only)</i>	-	-		
7.12	Unsecured notes <i>(totals only)</i>	-	-		

+ 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.



Stephen Brockhurst
Company Secretary
31 October 2014

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 and petroleum 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 or petroleum 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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