



31 October 2014

## **QUARTERLY OPERATIONS REPORT TO 30 SEPTEMBER 2014**

- Reinstatement to Official Quotation on ASX
- Appointment of Mr Jason Ferris to the Board
- Drilling program completed on Mannar Island Licences in Sri Lanka

### **CORPORATE**

On 4 July 2014, Windimurra Vanadium Limited ("**Company**") was reinstated to official quotation on the ASX following effectuation of the Deed of Company Arrangement and completion of the Company's \$2.5 million capital raising.

On 31 July 2014 Mr Jason Ferris was appointed as a Director of the Company replacing Ms Paula Cowan.

### **SRI LANKAN PROJECT – DUE DILIGENCE ACTIVITIES**

During the quarter, the Company continued its due diligence activities pursuant to the option agreement that the Company entered into regarding the acquisition of 100% of the issued capital of Srinel Holdings Limited ("**Srinel**") an unlisted company registered in Mauritius which owns 13 exploration licenses in various coastal districts of Sri Lanka that are prospective for mineral sands.

Mannar Island in the North West of Sri Lanka where 3 of Srinel's 13 licences are found was considered to be prospective based on historical non-JORC compliant exploration. Thus, Mannar was selected for detailed due diligence work. Srinel was successful in obtaining regional community and military clearances in Sri Lanka, and a team comprising local and expatriate personnel (including geologists) were mobilised in July 2014 to conduct technical due diligence work on Srinel's licences.

Hand-held auger drilling has been conducted in Mannar during the quarter. Approximately 130 holes were drilled with depths up to 4m. The drill hole locations were chosen with the intention to validate previous alleged mineralisation and to identify new target areas. Samples were typically taken at 0.5m intervals. Sample drying, splitting and packing was then completed. The samples have been freighted to Scientific Services Laboratories in Cape Town, South Africa for heavy mineral analysis. The laboratory analysis results are expected to be released during November 2014.

# 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 September 2014

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(25)	(25)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(642)	(642)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	5	5
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
<b>Net Operating Cash Flows</b>		<b>(662)</b>	<b>(662)</b>
<b>Cash flows related to investing activities</b>			
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	-	-
<b>Net investing cash flows</b>		<b>-</b>	<b>-</b>
1.13	<b>Total operating and investing cash flows (carried forward)</b>	<b>(662)</b>	<b>(662)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	<b>Total operating and investing cash flows (brought forward)</b>	<b>(662)</b>	<b>(662)</b>
	<b>Cash flows related to financing activities</b>		
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	(310)	(310)
1.18	Dividends paid	-	-
1.19	Other:		
	(a) Capital raising costs	(175)	(175)
	(b) Convertible notes	(250)	(250)
	<b>Net financing cash flows</b>	<b>(735)</b>	<b>(735)</b>
	<b>Net increase (decrease) in cash held</b>	<b>(1,397)</b>	<b>(1,397)</b>
1.20	Cash at beginning of quarter/year to date	1,994	1,994
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>597</b>	<b>597</b>

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

		<b>Current quarter \$A'000</b>
1.23	Aggregate amount of payments to the parties included in item 1.2	606
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

1. Director fees;
2. Accounting, company secretarial and office services;
3. Legal and corporate advisory fees;
4. Capital raising fees; and
5. Reimbursements.

Includes amounts paid to entities associated with the Directors'.

**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	122
4.2 Development	-
4.3 Production	-
4.4 Administration	100
<b>Total</b>	<b>222</b>

### 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	597	1,994
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details) – Term Deposit	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>597</b>	<b>1,994</b>

### 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	<b>Preference securities</b> <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	<b>*Ordinary securities</b>	Nil	Nil		
7.4	Changes during quarter (a) Increases through issues  (b) Decreases through returns of capital, buy-backs				
7.5	<b>*Convertible debt securities</b> <i>(description)</i>	Nil	Nil		
7.6	Changes during quarter (a) Increases through issues  (b) Decreases through securities matured, converted				
7.7	<b>Options</b> <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	<b>Debentures</b> <i>(totals only)</i>	Nil	Nil		
7.12	<b>Unsecured notes</b> <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<sup>st</sup> October 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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