

March 2016 Quarterly Activities Report

CORPORATE DIRECTORY

Executive Chair
Bronwyn Barnes

Non-Executive Directors
Stephen Lowe
Stuart Fogarty
George Cameron-Dow

Company Secretary
Stephen Brockhurst

FAST FACTS

Issued Capital: 108m
Options Issued: 2.1m
Debt: Nil
Cash (Approx.): \$5.9
(as at 31 March 2016)

CONTACT DETAILS

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HIGHLIGHTS

- **New area of interest outlined at the Western Margin Prospect within the 70%-owned Fraser Range North Project following a detailed reassessment of the project's exploration potential.**
- **New gravity anomaly identified following the completion of a semi-detailed gravity survey at the Western Margin prospect.**
- **Globally recognized geophysical consultants Archimedes Consulting commissioned to interpret Windward's detailed aeromagnetic dataset, using proprietary geophysical processing and interpretation techniques.**
- **This work has identified a cross-cutting structural corridor hosting a large residual gravity anomaly feature 3.5km due east of Nova nickel-copper deposit.**
- **New phase of exploration planned including follow-up geophysical surveys and aircore drilling to further evaluate this area.**

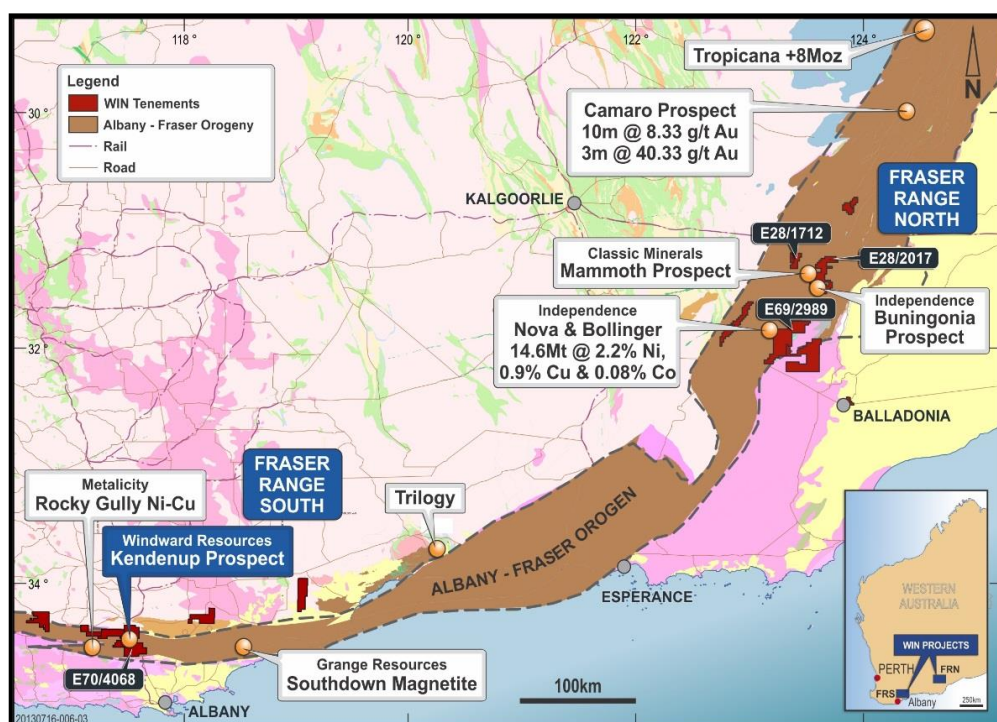


Figure 1: Windward Project Tenements

During the March 2016 Quarter, Windward embarked on a new exploration initiative at its 70%-owned Fraser Range North Project in Western Australia, focusing on the highly-rated Western Margin prospect (see Figure 2), following a reassessment of its exploration potential. The Western Margin prospect is located in a favourable geological and structural setting just 3.5km east of Independence Group's (ASX: IGO) world-class Nova nickel-copper deposit (currently under development).

Ground-based exploration activities commenced during the Quarter with the completion of a detailed gravity survey at the Western Margin prospect (see Figure 3). This survey was designed to in-fill the existing Geological Survey of Western Australia (GSWA) regional gravity data from 4km x 4km to 800m x 100m spacing. The purpose of the survey was to potentially identify mafic intrusive rocks in favourable structural settings within the Western Margin stratigraphy. These intrusions are known to host the nearby Nova nickel-copper-cobalt deposit.

The Western Margin tenement (E69/2989) is located within the Fraser Zone along the eastern margin of the main Fraser Range north-easterly trending gravity high (see Figure 2). The geology at Western Margin is identified as a series of folded rocks predominantly comprising a mixture of metasedimentary and mafic rocks intruded by mafic sills. The folding is most easily identified by units of high magnetic intensity (metasediments) with the sills exhibiting much more subdued signatures.

Windward commissioned Adelaide-based geophysical consultants Archimedes Consulting Pty Ltd to apply their proprietary geophysical processing and interpretation techniques to Windward's detailed aeromagnetic dataset (flown in 2013) covering the Western Margin prospect. Archimedes is globally recognised as the leader in the field of advanced processing and interpretation of high-resolution magnetic and gravity data and has developed a number of advanced differentiating techniques which can provide 3D mapping of regional and local structures, providing new insights to clients in areas where the traditional approaches have been applied.

Archimedes has primarily used its techniques in oil & gas exploration worldwide and is now applying them to the minerals sector. Windward is one of the first mineral exploration companies to apply the Archimedes techniques as part of their exploration targeting.

The key outcome of this exploration review and analysis, including the new gravity survey, has been the identification of a new area of interest located approximately 3.5km due east of the Nova deposit. The newly identified area includes a large residual gravity feature in an area below a paleo-channel which has not previously been drill tested. Previously collected soil geochemical samples show nickel and copper values that are indicative of the presence of mafic and possibly ultramafic rocks in this area.

This represents a priority area for follow-up exploration activities and will form the focal point of a proposed new phase of exploration activity by Windward at the Fraser Range North Project.

Archimedes has provided magnetic lineaments and fault interpretations using their proprietary techniques, which has highlighted an east-west cross-cutting structural corridor that contains both the gravity feature and the Nova deposit. Lineaments within this corridor are seen throughout the data at a number of different crustal depths, but are particularly evident in the slices 300m to 700m below surface (compared with the base of Nova deposit, located at between 280m to 450m below surface), and are oblique to the fabric of the country rocks.

In comparison with other mafic-ultramafic magmatic nickel sulphide systems, such features may act as conduits for sulphide accumulation and represent prime exploration targets.

The previously announced gravity survey covering the Western Margin prospect has also been

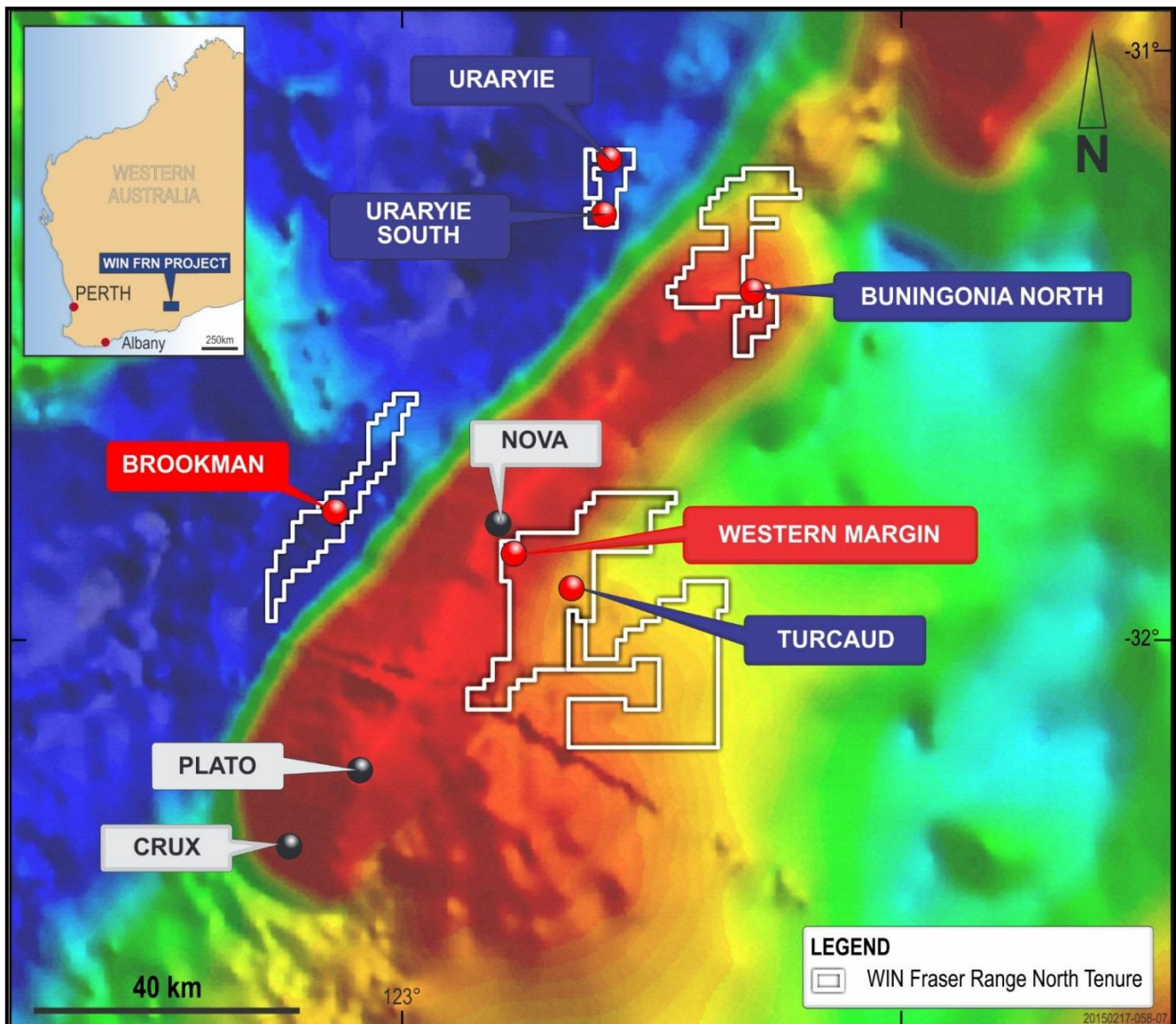
completed. This survey was conducted on north-south lines at 800m by 100m. This new gravity dataset complements the Archimedes magnetic modelling and interpretation, reinforcing the identified structural corridor. Importantly, a 4km long east-west gravity residual feature occurs within this corridor and extends to the tenement boundary, 3.5km from Independence Group's Nova nickel-copper deposit.

Windward is planning to undertake further follow-up work within this newly identified area of interest (see Figure 3) in the coming months, including:

- In-fill ground geophysical surveys to define targets;
- Aircore drilling to test shallow targets, define depth of cover and understand bedrock geology and geochemistry; and
- Deeper drilling to test any targets defined from this work.

Future exploration programs are dependent on the results of each proposed stage of follow-up work and receiving heritage clearance and statutory approvals. Windward will update the market on the progress of these exploration activities as they unfold.

Figure: 2 – Location of Western Margin and other Fraser Range prospects, background image is Bouguer gravity (regional).



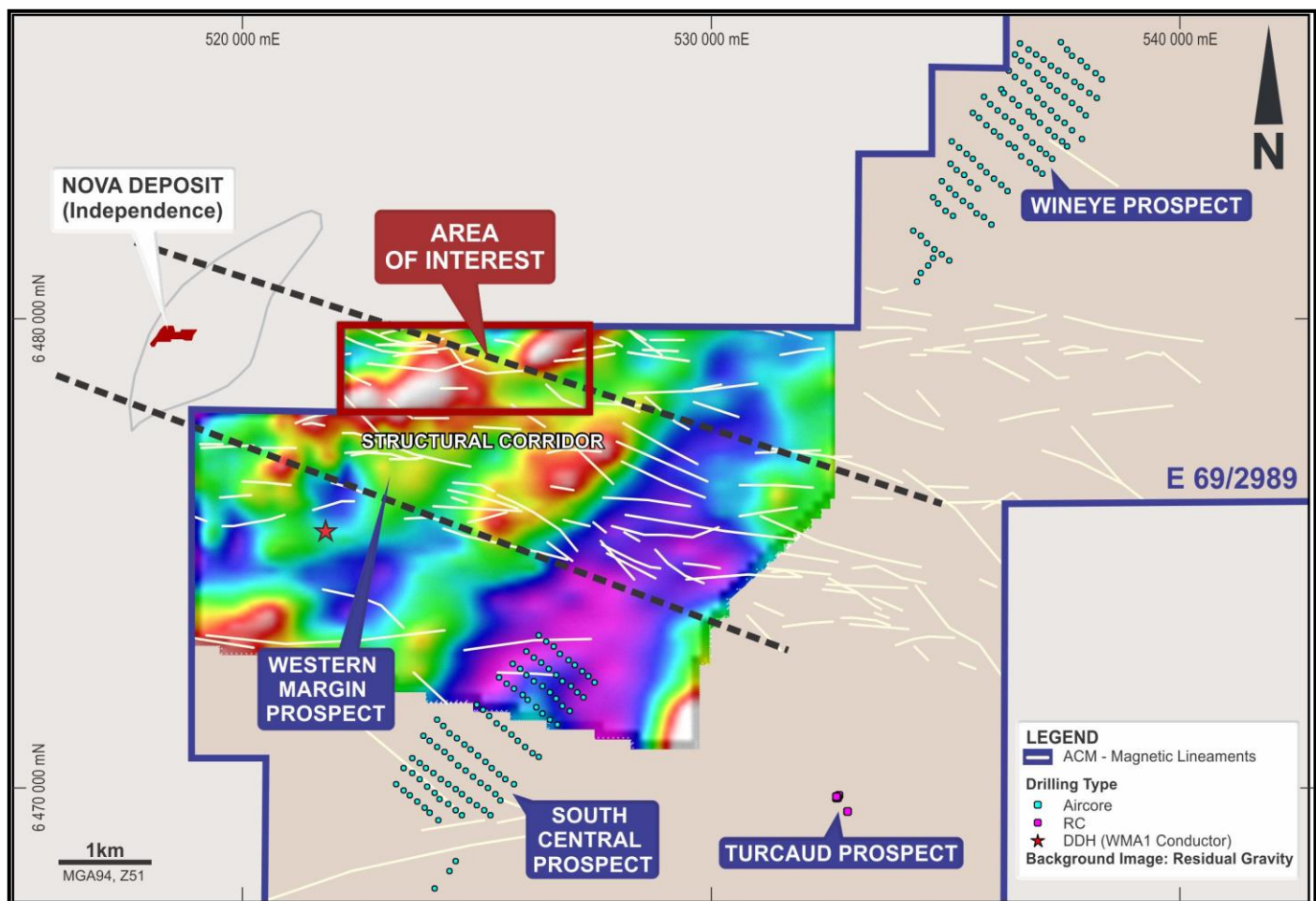


Figure: 3 – Cross-Cutting Structural Corridor and “Area of Interest” on Residual Gravity dataset.

ASX ANNOUNCEMENTS

During the March Quarter 2016 and up to the date of this report, Windward Resources released the following announcements:

<u>Date</u>	<u>Headlines</u>
04/04/2016	New Gravity Anomaly Identified at Western Margin Prospect
02/03/2016	Half Yearly Report and Accounts
18/02/2016	New Exploration Initiative at Western Margin Prospect
27/01/2016	Quarterly Activities and Cashflow Report

For further information, please contact:

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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 Metallurgy (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. Geophysical information in this report is based on exploration data compiled by Mr Brett Adams who is employed as a Consultant to the Company through the geophysical consultancy Spinifex-GPX Pty Ltd. Mr Adams is a member of the Australian Society of Exploration Geophysicists and of the Australian Institute of Geoscientists with sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore reserves Committee (JORC) Australasian Code for Reporting of Exploration Results. Mr Adams consents to the inclusion in the report of matters based on information in the form and context in which it appears.

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	0%	70%	LIVE	CREASY, MARK GARETH	Fraser Range Tenement Sale and Joint Venture Agreement
E 70/3113	Fraser Range South	Frankland	0%	70%	LIVE	CREASY, MARK GARETH	Fraser Range Tenement Sale and Joint Venture Agreement
E 70/3114	Fraser Range South	Cranbrook	0%	70%	LIVE	CREASY, MARK GARETH	Fraser Range Tenement Sale and Joint Venture Agreement
E 70/3115	Fraser Range South	Borden	0%	70%	LIVE	CREASY, MARK GARETH	Fraser Range Tenement Sale and Joint Venture Agreement
E 70/3117	Fraser Range South	Jerramungup	0%	70%	LIVE	CREASY, MARK GARETH	Fraser Range Tenement Sale and Joint Venture Agreement
E 70/4068	Fraser Range South	Mt Barker	0%	70%	LIVE	NBX PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
E 70/4105	Fraser Range South	Nunijup	0%	70%	LIVE	GREAT SOUTHERN GOLD PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
E 70/4495	Fraser Range South	Kendenup West	0%	70%	LIVE	NBX PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
E 69/2989	Fraser Range North	Fraser Range	0%	70%	LIVE	PONTON MINERALS PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
E 28/1711	Fraser Range North	Zanthus	0%	70%	LIVE	LAKE RIVERS GOLD PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
E 28/1712	Fraser Range North	Zanthus	0%	70%	LIVE	LAKE RIVERS GOLD PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
E 28/1713	Fraser Range North	Fraser Range	0%	70%	LIVE	LAKE RIVERS GOLD PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
E 28/1715	Fraser Range North	Fraser Range	0%	70%	LIVE	LAKE RIVERS GOLD PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
E 28/2017	Fraser Range North	Fraser Range	0%	70%	LIVE	PONTON MINERALS PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
E 69/2990	Fraser Range North	Fraser Range	0%	70%	LIVE	PONTON MINERALS PTY LTD	Fraser Range Tenement Sale and Joint Venture Agreement
E28/2459	Fraser Range North	Zanthus	0%	100%	LIVE	WINDWARD RESOURCES	
E28/2458	Fraser Range North	Zanthus	100%	100%	LIVE	WINDWARD RESOURCES	

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")

31 MARCH 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(248)	(1,058)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(233)	(940)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	38	126
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(443)	(1,872)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(1)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	1
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(443)	(1,872)

+ 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)	(443)	(1,872)
	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	(443)	(1,872)
1.20	Cash at beginning of quarter/year to date	6,366	7,795
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	5,923	5,923

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	84
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

- 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'ooo	Amount used \$A'ooo
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'ooo
4.1 Exploration and evaluation	450
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	650

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'ooo	Previous quarter \$A'ooo
5.1 Cash on hand and at bank	668	3,638
5.2 Deposits at call	5,255	2,728
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	5,923	6,366

+ See chapter 19 for defined terms.

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	Nil		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	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 (description)	-	-	-	-
7.2				
Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3				
*Ordinary securities	108,057,031	108,057,031	-	-
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>	400,000 500,000 900,000 300,000	- - - -	Exercise \$0.40 \$0.50 \$0.206 \$0.0804	Expiry Date 1/9/16 1/9/16 27/11/17 1/12/18
7.8	Issued during quarter	-	-	Exercise -	Expiry Date -
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
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
28 April 2016

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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