

# **Financial Report**

## **for the Half-Year Ended 31 December 2013**

**WINDWARD RESOURCES LIMITED  
CORPORATE DIRECTORY**

---

**Directors**

**Non-Executive Chairman**  
Mr George Cameron-Dow

**Managing Director**  
Mr David John Frances

**Non-Executive Directors**  
Mr Stephen Lowe  
Ms Bronwyn Barnes

**Company Secretary**  
Mr Stephen Brockhurst

**Registered and Principal Office**

Level 1  
8 Kings Park Road  
West Perth Western Australia 6005

Telephone : +61 (8) 9321 6667  
Facsimile : +61 (8) 9322 5940

**Website**

[www.winres.com.au](http://www.winres.com.au)

**Auditors**

Moore Stephens Perth  
Level 3, 12 St Georges Terrace  
Perth Western Australia 6000

**Bankers**

Australia and New Zealand Banking Group Limited  
Level 9, 77 St Georges Terrace  
Perth Western Australia 6000

**Solicitors**

Kings Park Corporate Lawyers  
Suite 8, 8 Clive Street  
West Perth Western Australia 6005

**Share Registry**

Advanced Share Registry Services  
150 Stirling Highway  
Nedlands Western Australia 6009

Telephone : (08) 9389 8033  
Facsimile : (08) 9389 7871

**Securities Exchange**

Australian Securities Exchange  
Exchange Plaza  
2 The Esplanade  
Perth Western Australia 6000

**ASX Code**

WIN

# **WINDWARD RESOURCES LIMITED**

## **CONTENTS**

---

	Page
Directors' Report	3
Auditor's Independence Declaration	5
Statement of Profit or Loss and other Comprehensive Income	6
Statement of Financial Position	7
Statement of Cash Flows	8
Statement of Changes in Equity	9
Notes to the Half-Year Financial Statements	10
Directors' Declaration	13
Independent Auditor's Review Report	14

# WINDWARD RESOURCES LIMITED

## DIRECTORS' REPORT

---

Your directors submit their report for the half-year ended 31 December 2013.

### Directors

The names of the directors of Windward Resources Limited ("Windward" or the "Company") in office during the half-year are listed below. Unless otherwise indicated, all directors held their position as a director throughout the entire half-year and up to the date of this report.

Mr George Cameron-Dow (Non-Executive Chairman) – appointed 24 July 2013, previously Non-Executive Director

Mr David Frances (Managing Director)

Mr Stephen Lowe (Non-Executive Director) – appointed 24 July 2013, previously Non-Executive Chairman

Mr Josh Puckridge (Non-Executive Director & Company Secretary) – Resigned 1 February 2014

### Results of Operations

Windward's net loss after income tax for the half-year was \$8,367,251 (2012: \$68,482).

### Review of Operations

#### *Successful Completion of Fraser Range Transaction with the Creasy Group and Associated Capital Raising*

On 17 October 2013 Windward Resources Limited completed the acquisition of 70% of the Fraser Range North and South Projects from the Creasy Group, who retain 30%. As part of the transaction the Company issued 43,842,500 fully paid ordinary shares to investors to raise \$10.96 million at 25 cents per share.

Consideration paid to the Creasy Group was \$3.1 million as reimbursement for previous expenditure on the tenements and the issue of 18,772,031 fully paid ordinary shares in Windward.

The Company now holds in excess of 8,000km<sup>2</sup> of tenure within the Albany-Fraser orogenic complex (Albany-Fraser Belt - AFB), comprising 5,624km<sup>2</sup> in the Fraser Range South project (FRS) and 2,791km<sup>2</sup> in the Fraser Range North project (FRN).

#### *Exploration Activities*

Windward has begun work on both the FRN and FRS projects. Detailed airborne magnetics was acquired over most of the FRN project area; this has been instrumental in the identification of numerous high-priority interpreted intrusive targets, including the "Windward Eye" target on E69/2989.

Soil sampling at Windward's Buningonia North prospect, has outlined a nickel soil anomaly extending for approximately 2.5 kilometres along a NNE trend. This nickel soil anomaly covers anomalous nickel values from aircore drilling completed in 2006 by the Creasy Group and extends the anomaly 500 metres south and 2,000 metres north. Windward's re-assaying of the anomalous drill holes (ASX: 23 October 2013) has confirmed the results received at the time of drilling. Re-assay of 72 pulps by ALS Chemex using 4-acid digest ICPMS finish (ME-MS61) returned non-coincident maximums of 2,080ppm Ni, 843ppm Cu, 1,010ppm Co, and 1.13g/t Ag with a best intercept of 3m at 2,080ppm Ni, 555ppm Cu, 176ppm Co, and 1.13g/t Ag from 32m.

The Company engaged Dr. Walter Witt to undertake mapping on some of the FRN tenements; based on his work, and work undertaken by the GSWA, Witt has divided E28/2017 into several domains one of which hosts the Nova Ni-Cu deposit to the south. Other high-priority structural targets were also identified by Witt and will be followed up in the coming months.

The Brookman gold induced polarisation target was tested with two RC drillholes – no anomalous results were returned.

Geochemical, regolith and stratigraphic drilling of targets will be undertaken in the coming months.

## WINDWARD RESOURCES LIMITED DIRECTORS' REPORT

---

Regional geochemical sampling was undertaken on the FRS project, and preliminary follow-up investigation of several first-order Electromagnetic (EM) anomalies was completed. Further work will be undertaken on two of the EM anomalies in the coming months.

### *Corporate*

On 15 January 2014 Windward announced the appointment of Ms Bronwyn Barnes as a Non-Executive Director, effective 1 February 2014.

### *Competent Persons Statement*

*The information in this report that relates to exploration results is based upon information compiled by Mr Alan Downie, a full - time employee of Windward Resources Limited and Mr Walter Witt, a consultant to Windward Resources. 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.*

*Walter Witt is a geological consultant with 40 years' experience, including geological mapping, in Western Australia and various overseas locations. Dr Witt is a Member of the Australian Institute of Geoscientists and an Adjunct Fellow at the Centre for Exploration Targeting, University of Western Australia. Dr Witt agrees to the release of information included in the above Press Release that is derived from his involvement with Windward Resources' tenement E28/2017.*

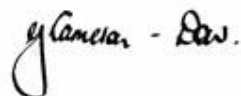
### **Subsequent Events**

No matter or circumstance has arisen that significantly affected, or may significantly affect, the operations of Windward Resources Limited, the results of those operations or the state affairs of Windward Resources Limited in subsequent years that is not otherwise disclosed in the financial statements.

### **Auditor Independence**

The lead auditor's independence declaration for the half-year ended 31 December 2013 is set out on page 5.

Signed in accordance with a resolution of the directors:



Mr George Cameron-Dow  
Non-Executive Chairman

6 March 2014

Level 3, 12 St Georges Terrace  
Perth WA 6000

PO Box 5785, St Georges Terrace  
WA 6831

T +61 (0)8 9225 5355

F +61 (0)8 9225 6181

[www.moorestephens.com.au](http://www.moorestephens.com.au)

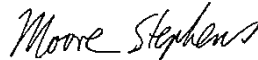
**AUDITOR'S INDEPENDENCE DECLARATION UNDER  
S307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF WINDWARD RESOURCES  
LIMITED**

As lead auditor for the review of Windward Resources Limited for the half-year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.



**Neil Pace**  
Partner



**Moore Stephens**  
Chartered Accountants

Signed at Perth this 6<sup>th</sup> day of March 2014

**WINDWARD RESOURCES LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Note	31/12/2013 \$	31/12/2012 \$
Revenue	4	74,407	30,494
Employee benefits expense		(191,873)	(54,211)
Exploration and tenement acquisition expense	5	(7,872,196)	-
Corporate finance and administration expense		(377,589)	(44,765)
<b>Loss before income tax</b>		(8,367,251)	(68,482)
Income tax expense		-	-
<b>Loss for the period</b>		<b>(8,367,251)</b>	<b>(68,482)</b>
<b>Other comprehensive income for the period, net of tax</b>		-	-
<b>Total comprehensive loss for the period</b>		<b>(8,367,251)</b>	<b>(68,482)</b>
Net loss attributable to:			
– members of the parent entity		(8,367,251)	(68,482)
– non-controlling interest		-	-
		<b>(8,367,251)</b>	<b>(68,482)</b>
Total comprehensive loss attributable to:			
– members of the parent entity		(8,367,251)	(68,482)
– non-controlling interest		-	-
		<b>(8,367,251)</b>	<b>(68,482)</b>
<b>Loss per share</b>			
From continuing operations:			
– basic loss per share (cents)		(17.32)	(0.47)

**WINDWARD RESOURCES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2013**

	Note	31/12/2013 \$	30/06/2013 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	7,866,564	3,066,707
Trade and other receivables		802,348	7,778
Prepayments		27,599	1,873
<b>TOTAL CURRENT ASSETS</b>		<b>8,696,511</b>	<b>3,076,358</b>
<b>NON CURRENT ASSETS</b>			
Plant and equipment		282,421	-
<b>TOTAL NON CURRENT ASSETS</b>		<b>282,421</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>8,978,932</b>	<b>3,076,358</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		850,419	23,334
<b>TOTAL CURRENT LIABILITIES</b>		<b>850,419</b>	<b>23,334</b>
<b>TOTAL LIABILITIES</b>		<b>850,419</b>	<b>23,334</b>
<b>NET ASSETS</b>		<b>8,128,513</b>	<b>3,053,024</b>
<b>EQUITY</b>			
Contributed equity	7	16,822,059	3,379,319
Accumulated losses		(8,693,546)	(326,295)
<b>TOTAL EQUITY</b>		<b>8,128,513</b>	<b>3,053,024</b>



**WINDWARD RESOURCES LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Note	31/12/13	31/12/12 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(908,752)	(123,876)
Exploration and evaluation expenditure		(991,569)	-
<b>Net cash flows from operating activities</b>		<b>(1,900,321)</b>	<b>(123,876)</b>
<b>Cash flows from investing activities</b>			
Interest received		70,295	30,494
Payments for plant and equipment		(300,702)	-
Payments for acquisition of tenements		(3,100,000)	-
<b>Net cash flows from investing activities</b>		<b>(3,330,407)</b>	<b>30,494</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		10,910,625	3,831,800
Payment of share issue costs		(880,040)	(455,482)
<b>Net cash flows from financing activities</b>		<b>10,030,585</b>	<b>3,376,318</b>
Net increase / (decrease) in cash and cash equivalents		4,799,857	3,282,936
Cash and cash equivalents at the beginning of the period		3,066,707	2,981
<b>Cash and cash equivalents at the end of the period</b>	6	<b>7,866,564</b>	<b>3,285,917</b>

**WINDWARD RESOURCES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Issued Capital \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 July 2012</b>	3,001	(20)	2,981
Loss for the period	-	(68,482)	(68,482)
Other comprehensive income	-	-	-
	<b>-</b>	<b>(68,482)</b>	<b>(68,482)</b>
Transactions with equity holders in their capacity as owners			
Shares issued (net of costs)	3,376,318	-	3,376,318
<b>Total transactions with equity holders in their capacity as owners</b>	<b>3,376,318</b>	<b>-</b>	<b>3,376,318</b>
<b>Balance at 31 December 2012</b>	<b>3,379,319</b>	<b>(68,502)</b>	<b>3,310,817</b>
<b>Balance at 1 July 2013</b>	<b>3,379,319</b>	<b>(326,295)</b>	<b>3,053,024</b>
Loss for the period	-	(8,367,251)	(8,367,251)
Other comprehensive income	-	-	-
	<b>-</b>	<b>(8,367,251)</b>	<b>(8,367,251)</b>
Transactions with equity holders in their capacity as owners			
Shares issued (net of costs)	13,442,740	-	13,442,740
<b>Total transactions with equity holders in their capacity as owners</b>	<b>13,442,740</b>	<b>-</b>	<b>13,442,740</b>
<b>Balance at 31 December 2013</b>	<b>16,822,059</b>	<b>(8,693,546)</b>	<b>8,128,513</b>

**WINDWARD RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

---

**1. CORPORATE INFORMATION**

The half-year financial report of Windward Resources Limited ("Windward" or "Company") for the six months ended 31 December 2013 was authorised for issue in accordance with a resolution of the directors on 6 March 2014.

Windward is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

These interim financial statements constitute a general purpose financial report and have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB134 ensures compliance with IAS134: Interim Financial Reports. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 30 June 2013.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Company's last annual financial statements for the year ended 30 June 2013.

**(b) New accounting standards and interpretations**

New and revised Standards and amendments thereof and Interpretations effective for the current half-year include:

- AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 11 'Joint Arrangements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 127 'Separate Financial Statements' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'
- AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'
- AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'
- AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle'
- AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'

The above standards have extensive disclosure requirements, however these do not affect this half-year financial report.

The adoption of the above standards has not had a material impact on this half-year financial report.

**3. SEGMENT INFORMATION**

The Company has identified its operating segments based on the internal reports that are received and used by the directors in assessing performance and determining the allocation of resources.

The Company operates in only one operating segment being mineral exploration in Australia.

**WINDWARD RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

**4. REVENUE**

	<b>6 months ended 31/12/2013 \$</b>	<b>6 months ended 31/12/2012 \$</b>
Interest revenue	74,407	30,494

**5. EXPLORATION AND TENEMENT ACQUISITION EXPENSE**

	<b>6 months ended 31/12/2013 \$</b>	<b>6 months ended 31/12/2012 \$</b>
Cash paid on acquisition of Fraser Range North and South Projects <sup>1</sup>	3,100,000	-
Shares issued on acquisition of Fraser Range North and South Projects <sup>1</sup>	3,519,756	-
Exploration expenditure during the period	1,252,440	-
	<u>7,872,196</u>	<u>-</u>

<sup>1</sup> On the 17th of October 2013 Windward Resources Limited completed the acquisition of 70% of the Fraser Range North and South Projects from the Creasy Group, who retain 30%. The consideration paid to the Creasy Group was \$3.1 million as reimbursement for previous expenditure on the tenements and the issue of 18,772,031 fully paid ordinary shares in Windward.

**6. CASH AND CASH EQUIVALENTS**

For the purpose of the Statement of Cash Flows, cash and cash equivalents are comprised of:

	<b>As at 31/12/2013 \$</b>	<b>As at 30/06/2013 \$</b>
Cash at bank and in hand	7,866,564	3,066,707

**WINDWARD RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

**7. CONTRIBUTED EQUITY**

	As at 31/12/2013 \$	As at 30/06/2013 \$
Ordinary shares		
Issued and fully paid	16,822,059	3,379,319

	As at 31/12/2013		As at 30/06/2013	
	Number	\$	Number	\$
Movement in ordinary shares on issue				
At beginning of period	25,442,500	3,379,319	3,000,000	3,001
Issue of Promoter shares	-	-	1,000,000	1,000
Issue of shares pursuant to seed prospectus	-	-	11,442,500	1,830,800
Transaction costs	-	-	-	(89,638)
Issue of shares pursuant to IPO prospectus	-	-	10,000,000	2,000,000
Issue of shares for Fraser Range Acquisition	18,772,031	3,519,756	-	-
Issue of shares – private placement	43,842,500	10,960,625	-	-
Transaction costs	-	(1,037,641)	-	(365,844)
At end of period	88,057,031	16,822,059	25,442,500	3,379,319

**8. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

There has been no change to contingent assets and contingent liabilities since the last annual reporting date.

**9. RELATED PARTY DISCLOSURE**

During the half-year:

- SG Corporate Pty Ltd, of which George Cameron-Dow is a Director and Josh Puckridge is an employee, received a payment of \$153,753 (plus GST) for consulting services in regards to the acquisition of the Fraser Range tenements, associated capital raising and overall management of the transaction completion. SG Corporate also received a payment of \$72,000 (plus GST) during the period for the provision of registered offices, administration, executive management & company secretarial services.

**10. EVENTS AFTER THE BALANCE SHEET DATE**

No matter or circumstance has arisen that significantly affected, or may significantly affect, the operations of Windward Resources Limited, the results of those operations or the state affairs of Windward Resources Limited in subsequent years that is not otherwise disclosed in the financial statements.

## WINDWARD RESOURCES LIMITED DIRECTORS' DECLARATION

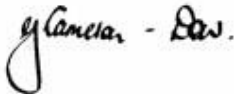
---

In accordance with a resolution of the directors of Windward Resources Limited, I state that:

1. In the opinion of the directors:

- (a) the financial statements and notes of Windward Resources Limited for the half-year ended 31 December 2013 are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Company's financial position as at 31 December 2013 and of its performance for the half-year ended on that date;
  - (ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors:

A handwritten signature in black ink, appearing to read 'G. Cameron-Dow'.

Mr George Cameron-Dow  
Non-Executive Chairman

6 March 2014

Level 3, 12 St Georges Terrace  
Perth WA 6000

PO Box 5785, St Georges Terrace  
WA 6831

T +61 (0)8 9225 5355

F +61 (0)8 9225 6181

[www.moorestephens.com.au](http://www.moorestephens.com.au)

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
WINDWARD RESOURCES LIMITED LIMITED**

**Report on the Half-year Financial Report**

We have reviewed the accompanying half-year financial report of Windward Resources Limited which comprises the statement of financial position as at 31 December 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity, the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of Windward Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Windward Resources Limited's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Windward Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

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

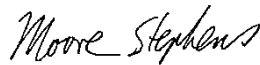
*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Windward Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



**Neil Pace**  
Partner



**Moore Stephens**  
Chartered Accountants

Signed at Perth this 6<sup>th</sup> day of March 2014