WINDWARD
RESOURCES LTD

ASX ANNOUNCEMENT
ASX: WIN
29 September 2014

Shareholder Update

– For Immediate Release –

Highlights

- **Airborne EM (HeliTEM) survey commenced – Fraser Range North (FRN)**
- **Diamond drilling at the Kendenup prospect (Fraser Range South – FRS) completed – assay results due 1st week of October**
- **Interpreted carbonatite target to be drill tested in December quarter**

The Company is pleased to announce that a significant airborne electromagnetic (**AEM**) survey (1,200 line km) has commenced at the Fraser Range North (**FRN**) project area – **Figure: 1**.

A number of target areas will be flown and any high-priority conductors identified from this survey will have follow-up ground EM programmes completed, followed by drill testing if warranted. Processed data will be available for interrogation and subsequent ground EM and drill targeting by early November with drilling expected to commence in December.

Diamond drilling at the Kendenup prospect within the FRS project area has been completed with two holes being drilled, 14KDDH001 – 215.7m and 14KDDH002 – 306.3m. These holes were drilled to test a conductor identified by HeliTEM and confirmed by ground EM. Half core has been submitted for analytical testing with results due by the first week of October.

Reverse circulation drill-testing of an interpreted carbonatite target in the FRN project area is planned to commence in the December quarter – **Figure: 2**. 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 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.

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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 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.

- ENDS –

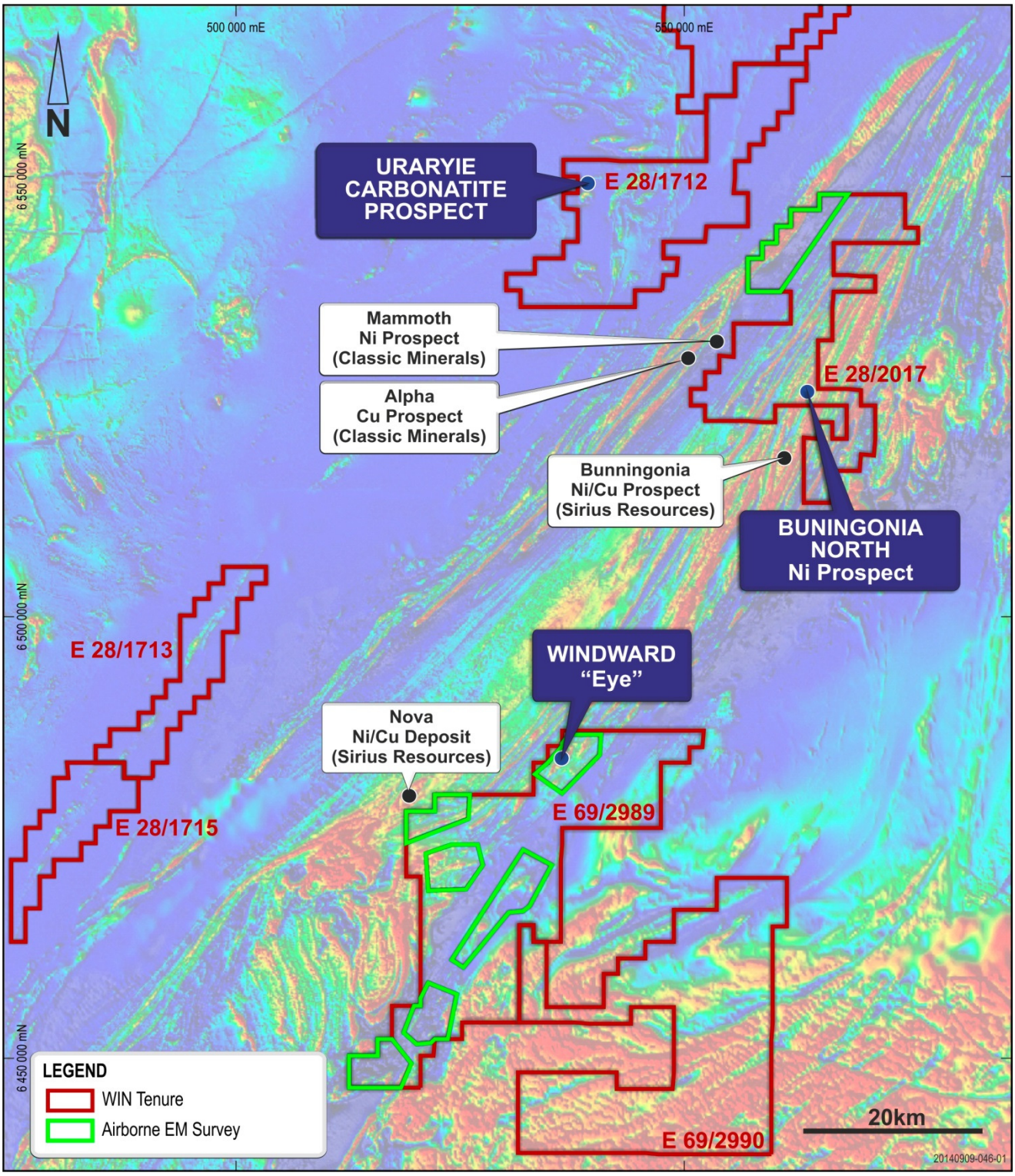

Figure: 1 – FRN Planned HeliTEM coverage areas on TMI magnetics background image.

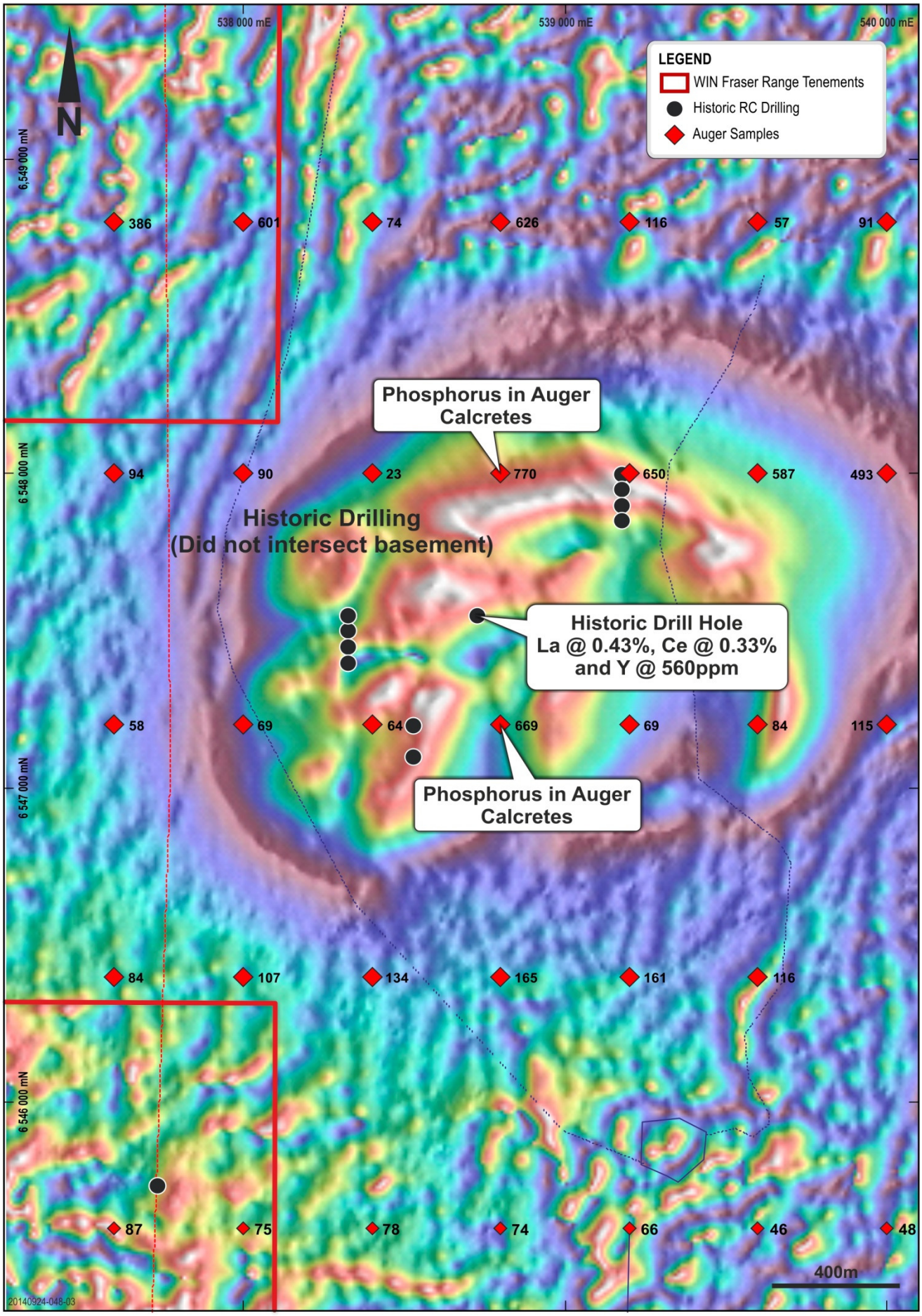

Figure: 2 – FRN E28/1712 Planned RC drilling of interpreted carbonatite on RTP TILT NEagcs Linear magnetics background image.

Appendix 1: Windward Resources Ltd – Carbonatite Target E28/1712 – Historic Drilling and Previous Auger Calcrete and Soil Sampling JORC CODE 2012 Table 1.

Section 1 Sampling Techniques and Data

	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Auger (power hand auger) calcrete and soil samples covering the carbonatite target were collected as part of a large regional programme in 2008 by a previous explorer. Samples were collected on a 800m x 400m spaced grid. QAQC standards were included routinely with the submission of soil samples. All soil samples are sieved -2mm samples and calcrete samples are +5mm. Samples were submitted for multi-element analysis by ICP-OES & ICP-MS techniques for elements including Au, Ag, Al, As, Ba, Bi, Ca, Cd, Ce, Co, Cr, Cu, Fe, Ga, Ge, Hg, Ho, In, La, Li, Lu, Mg, Mn, Mo, Nd, Ni, Pb, Pd,Pt, Rb, Sb, Sc, Se, Sn, Sr, Te, Th, Ti, Tl, U, V, W, Y Zn and Zr. Only selected holes from historic RC drilling were sampled and only selected intervals within these holes were sampled. These intervals were analysed for Y, Nb, La, Ce, with some intervals also being assayed for Al2O3, SiO2, TiO2, Fe2O3, MnO, MgO, CaO, K2O, P2O5,Na2)
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Soil/calcrete samples collected by a powered hand auger. • Drilling technique used was reverse circulation (RC) using a 3.5 inch blade bit and completed by Ausdrill in 1990.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sample recoveries in drilling not recorded. • Sample recovery measures not mentioned. • Not relationships mentioned but drilling difficulties are mentioned.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Soil samples are logged for landform and surface material considerations. Samples do not produce chips for suitable for geological or geotechnical logging. • Basic RC geological information recorded only.
Sub-	• *If core, whether cut or sawn and whether quarter, half or all core*	• Not applicable

	JORC Code explanation	Commentary
sampling techniques and sample preparation	*taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Soil samples were dry. • The samples are dried and pulverized before analysis. • QAQC reference samples were routinely submitted with each sample batch. • The taking of field duplicates is unknown. • The size of the sample is considered appropriate for mineralisation styles sought and for the analytical technique used. • Sub-sampling techniques completed for RC drilling are unknown.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The soil / calcrete samples analysis was completed by Quantum. The digestion technique for calcrete/soil samples is unknown. Elements were measured using an inductively coupled plasma (ICP-OES-MS) techniques. These are considered the most cost effective technique of low level analysis of gold and base metals. • For soil samples QAQC samples were routinely inserted within the sample batches. In addition reliance is placed on laboratory procedures and laboratory batch standards. • The RC drill assays were completed by Analabs using methods 408 and 104. • It is unknown whether QAQC samples were submitted for RC samples.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The reported results from soil sampling and drilling is from previous explorers in 1990 and 2008. The significant results reported from previous explorers have been independently verified by Windward staff. • Not Applicable at this early stage of exploration. • Unknown. • No adjustments are made to the reported assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Soil sample sites are surveyed by using modern GPS units with a considered accuracy of +- 5 metres. This is considered acceptable for these broad spaced ground activities. • All coordinates are expressed in GDA 94 datum, Zone 51. • Topographic control of 2- 10 metres is achieved by using published maps. This is considered acceptable for these regional style exploration activities.
Data spacing and	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the*	• Soil sample spacing's are determined by allowing a first pass testing to cover the target area. This regional soil sampling has been

	JORC Code explanation	Commentary
distribution	*degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	completed on nominal 800 metre spaced traverses with sample spacing's at 400 metres. • Not applicable • No compositing of samples has been undertaken for the reported soil sampling or drilling program.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Not applicable • Not applicable
Sample security	• *The measures taken to ensure sample security.*	• Unknown
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been completed of sampling techniques.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• E28/1712 which is owned 70% Windward Resources and 30% Lake Rivers Gold Pty Ltd. It is located on vacant crown land. A proposed nature reserve PNR/91 covers approximately 10% of this tenement. The tenement is located within Native Title Claim WC 99/2 by the Ngadju People. • The tenement is granted and expires on 23 September 2017.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration carried out by previous explorers include calcrete and soil sampling in 2008. Targeted RC drilling has also been completed in 1990. Geological Survey of WA (GSWA) have completed regional soil sampling on nominal 4 kilometre centres and the acquisition of 400 metre spaced aeromagnetic and radiometric data.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The target is a carbonatite style, based on the Mt Weld model (REE's P, polymetallic's).
Drill hole	• *A summary of all information material to the understanding of the*	• The surface sample and drill hole collar locations are shown in the

Criteria	JORC Code explanation	Commentary
Information	*exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	body of the report. • The drill hole collars were originally recorded on a local grid system. All drill holes have been plotted from the compilation and translation completed by previous explorers. • The plotted location of the historical drill holes with respect to the tenement boundaries and general topographic and cultural features have been verified by Windward Resources.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• For the soil / calcrete results and the RC drilling results no compositing of assays has been applied. • NA • No metal equivalent values have been reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The geometry of anomalous REE assays from historic RC drilling is unknown. • The soil / calcrete sampling assays defines a geochemical surface expression and no information regarding possible geometry of mineralisation is obtained. • All drill hole intercepts are measured in down hole metres
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate plans have been included in the body of the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not applicable at this stage.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• A detailed aeromagnetic survey was completed in early December 2013 by GPX Surveys Pty Ltd commissioned by Windward. This survey has been completed along NW – SE flights at 50 metre spacing using a nominal 30 metre flying height.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further infill soil sampling covering this target area on E28/1017 is planned. • It is planned to complete RC drilling to test this target at depth.