
WINDWARD RESOURCES LIMITED

ABN 38 158 432 270

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10:00am WST

DATE: Thursday, 26 November 2015

PLACE: Level 1, 8 Kings Park Road
West Perth WA 6005

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9481 0389.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Windward Resources Limited which this Notice of Annual General Meeting relates to will be held at 10:00am WST on Thursday, 26 November 2015 at Level 1, 8 Kings Park Road, West Perth 6005, Western Australia.

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (WST) on Tuesday, 24 November 2015.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all 'directed' proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

NOTICE OF ANNUAL GENERAL MEETING

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 4:00pm WST on Tuesday, 24 November 2015.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

Reports and Accounts

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2015, together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding ordinary resolution**:

“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the Company to adopt the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2015.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 – ELECTION OF DIRECTOR – MR STUART FOGARTY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 12.8 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Stuart Fogarty, a Director who was appointed on 26 June 2015, retires, and being eligible, is elected as a Director.”

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR GEORGE CAMERON-DOW

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 12.3 of the Constitution and for all other purposes, Mr George Cameron-Dow, being a Director, retires by rotation, is hereby re-elected as a Director.”

4. RESOLUTION 4 – APPROVAL FOR ADDITIONAL PLACEMENT CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2; and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 4 by any person who may participate in the issue of Equity Securities under this Resolution and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, from the passing of Resolution 4 and any associates of those persons.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – APPROVAL FOR THE ISSUE OF DIRECTOR OPTIONS TO MR STUART FOGARTY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) of the Corporations Act, Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 300,000 Director Options to Mr Stuart Fogarty, or his nominee(s), on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Stuart Fogarty and/or his nominee(s) and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 20,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 22 OCTOBER 2015

BY ORDER OF THE BOARD



**STEPHEN BROCKHURST
COMPANY SECRETARY
WINDWARD RESOURCES LIMITED**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions in the Notice of Meeting.

FINANCIAL STATEMENTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2015 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.windwardresources.com.au.

1. RESOLUTION 1 – REMUNERATION REPORT (NON-BINDING RESOLUTION)

1.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

If at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2016 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of a general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting (**Spill Meeting**) within 90 days of the Company's 2016 annual general meeting. All of the Directors who were in office when the Company's 2016 Directors' report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2015.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

1.2 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

1.3 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy

You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member).

You **do not** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, ***you are taken to have expressly authorised the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.***

If you appoint any other person as your proxy

You **do not** need to direct your proxy how to vote on this Resolution on the Proxy Form.

2. RESOLUTION 2 – RE-ELECTION OF MR STUART FOGARTY

In accordance with Listing Rule 14.4 and Clause 12.8 of the Constitution, any Director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the Company.

Accordingly, as Mr Stuart Fogarty was appointed on 26 June 2015 pursuant to clause 12.7 of the Constitution, he now seeks re-election as a Director in accordance with clause 12.8 of the Constitution. Details regarding Mr Stuart Fogarty are set out in the 2015 Annual Report.

The Directors, other than Mr Stuart Fogarty, recommend Shareholders vote in favour of the re-election of Mr Stuart Fogarty.

3. RESOLUTION 3 – RE-ELECTION OF MR GEORGE CAMERON-DOW

Clause 12.3 of the Constitution provides that there must be an election of Directors at each annual general meeting, which can be satisfied by (amongst other things) the longest serving Director standing for re-election. Where 2 or more Directors were appointed at the same time, then in default of agreement, the Director to retire will be determined by ballot.

Mr Stephen Lowe was re-elected at the Annual General Meeting in 2014. The Board has determined that Mr George Cameron-Dow retires from office at this Meeting and offers himself for re-election.

Details of Mr George Cameron-Dow's qualifications, experience and remuneration are set out in the Company's 2015 Annual Report. The Directors, other than Mr George Cameron-Dow, recommend Shareholders vote in favour of the re-election of Mr George Cameron-Dow.

4. RESOLUTION 4 – APPROVAL FOR ADDITIONAL PLACEMENT CAPACITY

4.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the entity's annual general meeting (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 4, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 4.2 below).

The effect of Resolution 4 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 4 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed.

4.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (i) is not included in the S&P/ASX 300 Index; and
- (ii) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of equal to or less than \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$8,104,277.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: WIN) and eight classes of unquoted Options on issue totalling 4,980,000 Options.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

A = the number of Shares on issue 12 months before the date of issue or date of agreement to issue:

- plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
- plus the number of partly paid shares that became fully paid in the previous 12 months;
- plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
- less the number of Shares cancelled in the previous 12 months.

D = 10%.

E = the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or date of agreement to issue that are not issued with the approval of holders of ordinary securities under ASX Listing Rule 7.1 or 7.4.

4.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 4:

4.3.1 Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph 4.3.1(i), the date on which the Equity Securities are issued.

4.3.2 Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Annual General Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of the Annual General Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

4.3.3 Risk of economic and voting dilution

Any issue of Equity Securities under the 10% Placement Capacity may dilute the interests of Shareholders who do not receive any Equity Securities under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable A in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.0385 (50% decrease in current issue price)	\$0.077 (Current issue price)	\$0.1155 (50% increase in current issue price)
108,057,031 (Current)	Shares issued - 10% voting dilution	10,805,703 Shares	10,805,703 Shares	10,805,703 Shares
	Funds raised	\$416,020	\$832,039	\$1,248,059
162,085,546 (50% increase)*	Shares issued - 10% voting dilution	16,208,555 Shares	16,208,555 Shares	16,208,555 Shares
	Funds raised	\$624,029	\$1,248,059	\$1,872,088
216,114,062 (100% increase)*	Shares issued - 10% voting dilution	21,611,406 Shares	21,611,406 Shares	21,611,406 Shares
	Funds raised	\$832,039	\$1,666,078	\$2,496,117

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 108,057,031 Shares on issue as at 12 October 2015.
2. The issue price set out above is the closing price of the Shares on the ASX on 12 October 2015.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Annual General Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.

5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk of economic and voting dilution of existing ordinary security holders that may result from an issue of Equity Securities under Listing Rule 7.1A.2, including the risk that:

- (A) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- (B) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue, or issued for non-cash consideration for the acquisition of a new asset.

4.3.4 Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (A) as cash consideration, in which case the Company intends to use funds raised for:
 - i. the acquisition of new resources, assets and investments (including expenses associated with such an acquisition); and
 - ii. continued exploration expenditure on the Company's Fraser Range tenements and general working capital; or
- (B) as non-cash consideration for the acquisition of new assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

4.3.5 Allocation under the 10% Placement Capacity

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the

recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (A) the purpose of the issue;
- (B) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (C) the effect of the issue of the Equity Securities on the control of the Company;
- (D) the Company's circumstances, including, but not limited to, its financial position and solvency;
- (E) prevailing market conditions; and
- (F) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

4.3.6 Previous Approval under ASX Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 21 November 2014 (**Previous Approval**).

The Company has issued 8,805,703 Shares pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 21 November 2014, the Company also issued a further 11,194,297 Shares which represents approximately 10.36% of the total number of Equity Securities on issue in the Company on 1 October 2015, which was 108,057,031.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

4.3.7 Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (A) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (B) the information required by Listing Rule 3.10.5A for release to the market.

4.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any person to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 4.

5. RESOLUTIONS 5 – APPROVAL FOR THE ISSUE OF DIRECTOR OPTIONS TO RELATED PARTY

5.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 300,000 Director Options (**Director Options**) to Mr Stuart Fogarty (**Related Party**) (or his nominees) on the terms and conditions set out below.

Mr Stuart Fogarty is a Non-Executive Director of the Company.

Resolutions 5 seek Shareholder approval in accordance with Listing Rule 10.11 for the issue of 300,000 Director Options to the Related Party (or his nominees) as follows:

Resolution	Director	Number of Director Options(i)
Resolution 5	Mr Stuart Fogarty	300,000

(i) Expiry date on or before 5.00pm WST on the date that is 3 years less one day following the date of issue at an exercise price equal to 133% of the VWAP for the 5 Trading Days preceding the date of the Meeting. Accordingly the exercise price is not known as at the date of this Notice. The exercise price will be announced when known at the time that the Options are issued and allotted.

No funds will be raised from the issue of the Director Options. Any funds raised from the exercise of the Director Options will be used for general working capital purposes. There are no significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed. The Director must contribute his own money to the Company to fund the exercise price of the Director Options.

5.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Mr Stuart Fogarty is a related party of the Company as defined under the Corporations Act by virtue of being a Director of the Company. The proposed issue of Director Options to Mr Stuart Fogarty will constitute the provision of a financial benefit to a related party of the Company.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of the Director Options to the Related Party.

5.3 Listing Rule 10.11 and Chapter 2E of the Corporations Act

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in respect of the proposed issue of the Director Options:

- (a) the related party to whom a financial benefit will be given is Mr Stuart Fogarty and he is a related party by virtue of being a Director of the Company;
- (b) the maximum number of Director Options (being the nature of the financial benefit being provided) to be issued to the Related Party is:
 - (i) 300,000 Options to Mr Stuart Fogarty (or his nominee(s));
- (c) the Director Options will be issued to the Related Party no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that the Director Options will be issued on one date;
- (d) the Director Options will be issued for nil cash consideration, accordingly no funds will be raised;
- (e) the terms and conditions of the Director Options are set out in Schedule 2;
- (f) the value of the Director Options and the pricing methodology is set out in Schedule 3;
- (g) as at the date of this Notice the relevant interests of the Related Party in securities of the Company is as follows:

Related Party	Shares	Options
Mr Stuart Fogarty	Nil	Nil

- (h) the remuneration and emoluments from the Company to the Related Party for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Mr Stuart Fogarty	\$9,132 ¹	\$nil

Notes

1. Mr Fogarty's annual remuneration is \$40,000 (including superannuation) for Director's duties.

- (i) if the Options granted to the Related Party are exercised, a total of 300,000 Shares will be issued. This will increase the number of Shares on issue from 108,057,031 to 108,357,031 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.28%.

The market price for Shares during the term of Options would normally determine whether or not the Options are exercised. If, at any time, any of the Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company;

- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	44 cents	26 March 2015
Lowest	7 cents	24 and 27 August 2015
Last	8 cents	22 October 2015

- (k) the Board considers the issue of Director Options to the Related Party is reasonable in the circumstances for the reasons set out in paragraph (m). The Board (other than Mr Stuart Fogarty) does not consider that the issue of Director Options will conflict with the non-executive Directors' obligations to bring an independent judgement to matters before the Board so that the issue of Director Options is consistent with the commentary to Principle 8 of the Corporate Governance Principles and Recommendations (3rd Edition) as published by the ASX Corporate Governance Council;
- (l) the primary purpose of the issue of the Director Options to Mr Stuart Fogarty is to preserve cash reserves while providing an incentive for future performance in his role as Director;
- (m) Mr Stuart Fogarty declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Director Options in the Company should Resolution 5 be passed. Ms Bronwyn Barnes, Mr Steve Lowe and Mr George Cameron-Dow recommend that Shareholders vote in favour of Resolution 5 for the following reasons:
- (i) the issue of the Director Options to the Related Party will align the interests of the Related Party with those of Shareholders;
 - (ii) the issue of the Director Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Party; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed;

- (n) in forming their recommendations, each Director considered the experience of Mr Stuart Fogarty, the current market price of Shares, the current market practices when determining the number of Options to be granted as well as the exercise price and expiry date of those Options; and
- (o) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 5.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to the Related Party as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Options to the Related Party will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES

6.1 Background

On 30 March 2015, the Company issued 20,000,000 Shares at a price of \$0.30 per Share to raise \$6,000,000 (**Placement**) before costs.

The Company issued 11,194,297 Shares without prior Shareholder approval out of its 15% annual placement capacity and 8,805,703 Shares under the additional placement capacity pursuant to ASX Listing Rule 7.1A.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 20,000,000 Shares on the terms set out below (**Ratification**).

6.2 ASX Listing Rule 7.4

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where, pursuant to ASX Listing Rule 7.4, a company in general meeting ratifies the previous issue of securities made (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purposes of ASX Listing Rule 7.1

By ratifying the issue of the Shares the subject of Resolution 6, the Company will retain the flexibility to issue equity securities in the future of up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 and 10% additional placement capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

6.3 Specific information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval of the share issue, the subject of Resolution 6 in accordance with ASX Listing Rule 7.5:

- (a) the number of securities allotted by the Company was 20,000,000 Shares;
- (b) those Shares were issued and allotted on 30 March 2015;

- (c) the Shares were issued at a price of \$0.30 each;
- (d) the allottees of the Shares were private sophisticated investors which are not related parties of the Company;
- (e) the Shares issued are fully paid ordinary shares and rank equally with the existing Shares on issue;
- (f) funds raised from this issue were used to further the Company's exploration projects and for general working capital purposes.

6.4 Directors' Recommendation

None of the Directors has a material personal interest in the subject matter of Resolution 6. The Board believes that the ratification of the Share and Option issue the subject of Resolution 6 is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 6 as it provides the Company with the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months without shareholder approval.

GLOSSARY

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 4.1 of this Notice.

2015 Annual Report means the Company's annual report for the year ended 30 June 2015, which can be downloaded from the Company's website at Windwardresources.com.au.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 724 791).

ASX Listing Rules or **Listing Rules** means the official Listing Rules of ASX.

Board means the Board of Directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company or **Windward Resources** means Windward Resources Limited (ABN 38 158 432 270).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Directors mean the current directors of the Company.

Director Options has the meaning given to it in Section 5.1 of the Explanatory Statement.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (ii) is not included in the S&P/ASX 300 Index; and
- (iii) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of equal to or less than \$300,000,000.

Equity Securities has the same meaning given in the Listing Rules.

Explanatory Statement means the explanatory statement to this Notice.

Key Management Personnel has the same meaning given in the Listing Rules.

Meeting or **Annual General Meeting** means the meeting convened by the Notice.

Notice means the notice of meeting accompanying this Explanatory Statement.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Related Party has the meaning given in section 5.1 of the Explanatory Statement.

Remuneration Report means that section of the Directors' Report under the heading "Remuneration Report" set out in the 2015 Annual Report.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

WST means Western Standard Time.

Variable A means "A" as set out in the calculation in section 5 of this Notice.

SCHEDULE 1 – ISSUE OF EQUITY SECURITIES SINCE 21 NOVEMBER 2014

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue: 28 November 2014 Appendix 3B: 28 November 2014	900,000	Unquoted Options ³	Options issued to the Directors as approved by shareholders at the Company's 2014 Annual General Meeting on 21 November 2014	Nil cash consideration	Non-cash consideration Nil cash consideration paid Current value ⁵ = \$86,400
Issue: 30 March 2015 Appendix 3B: 30 March 2015	20,000,000	Shares ²	Sophisticated and professional investors including clients of Trident Capital.	\$0.30	Cash Amount raised: ⁴ \$6,000,000 Value remaining = \$Nil Use of cash: project exploration expenditure (including district wide auger and soil sampling targeting the buried (shallow) laterite horizon) on the Company's current assets in the Fraser Range

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: WIN (terms are set out in the Constitution).
3. Unquoted Options comprised of 900,000 unlisted options exercisable at \$0.206 on or before 27 November 2017
4. The cash balance of the Company on 30 September 2014 was approximately \$4.5m. The aggregate amount raised from issues of Equity Securities listed in Schedule 1 is \$6m. The cash balance of the Company as at the date of this Notice is approximately \$7m. The amount spent since 30 September 2014 to the date of this Notice has been approximately \$3.5m. These funds have been spent on [exploration activities and operating expenses of the Company].
5. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

SCHEDULE 2 – TERMS AND CONDITIONS OF DIRECTOR OPTIONS

The Director Options entitle the holder to subscribe for Shares on the following terms and conditions:

(a) Entitlement

Each Director Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price and Expiry Date

The Director Options will have an expiry date on or before 5.00pm WST on the date that is 3 years less one day following the date of issue (**Director Option Expiry Date**) at an exercise price equal to 133% of the VWAP for the 5 Trading Days preceding the date of the Meeting. Accordingly the exercise price is not known as at the date of this Notice.

(c) Exercise Period

The Director Options are exercisable at any time on and from the date following the conclusion of the Vesting Period until the Expiry Date.

(d) Notice of Exercise

The Director Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Director Option being exercised. Any Notice of Exercise of a Director Option received by the Company will be deemed to be a notice of the exercise of that Director Option as at the date of receipt.

(e) Shares issued on exercise

Shares issued on exercise of the Director Options rank equally with the then shares of the Company.

(f) Quotation of Shares on exercise

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Director Options.

(g) Timing of issue of Shares

Within 15 Business Days after the receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Director Option being exercised the Company will issue the Shares pursuant to the exercise of the Director Options.

(h) Participation in new issues

There are no participation rights or entitlements inherent in the Director Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This will give the holders of Director Options the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.

(i) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(j) Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price.

(k) Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(l) Quotation of the Director Options

The Company will not apply for quotation of the Director Options on ASX.

(m) Options Transferable

The Director Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(n) Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Director Options with the appropriate remittance should be lodged at the Company's Registry.

SCHEDULE 3 – VALUATION OF DIRECTOR OPTIONS TO RELATED PARTIES

The Director Options to be issued to the Related Party pursuant to Resolution 5 have been valued by internal management. This value is indicative only as the exercise price is unknown until the date of issue.

Using the Black & Scholes model and based on the assumptions set out below, the Director Options were ascribed the following value:

Assumptions:	
Valuation date	30 September 2015
Market price of Shares (5 day VWAP)	8.5 cents
Exercise price (i)	11.3 cents
Expiry date (length of time from issue)	3 years from issue
Risk free interest rate	2.50%
Volatility (discount)	80%
Indicative value per Related Party Option	3.9 cents
Total Value of Related Party Options	\$11,700

(i) Exercise price is based on a 133% premium to the Market Price of Shares (5 Day VWAP) on 30 September 2015.

Note: The valuation noted above is not necessarily the market price that the Director Options could be traded at and is not automatically the market price for taxation purposes.

PROXY FORM

APPOINTMENT OF PROXY
WINDWARD RESOURCES LIMITED
ABN 38 158 432 270

ANNUAL GENERAL MEETING

I/We _____
of _____

being a member of Windward Resources Limited entitled to attend and vote at the Annual General Meeting, hereby appoint

Name _____ of
Proxy: _____

OR the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting to be held at the Level 1, 8 Kings Park Road, West Perth 6005, Western Australia at 10:00am WST on Thursday, 26 November 2015, and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Voting on Business of the Annual General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Election of Director – Mr Stuart Fogarty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-Election of Director – Mr George Cameron-Dow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval for Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval of Director Options to Mr Stuart Fogarty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Chair of the Annual General Meeting authorised to exercise proxies on remuneration related resolution: Where I/we have appointed the Chair of the Annual General Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (to adopt the Remuneration Report) and Resolution 5 (Director Options to Mr Fogarty) (except where I/we have indicated a different voting intention above) even though Resolutions 1 and 5 are connected directly with the remuneration of a member of Key Management Personnel for the Company.

Signature of Member(s): _____ Date: _____

Individual or Member 1 _____ Sole Director/Company Secretary	Member 2 _____ Director	Member 3 _____ Director/Company Secretary
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Contact Name: _____ Contact Ph (daytime): _____

E-mail Address: _____ Consent for contact by e-mail YES NO

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Windward Resources Limited, PO Box 599, West Perth, Western Australia 6872; or
 - (b) facsimile to the Company on facsimile number +61 8 9322 5940; or
 - (c) email to the Company at admin@winres.com.au,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.