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**WINDIMURRA  
VANADIUM**

ABN 65 009 131 533

**Interim Financial Report for the Half Year Ended  
31 December 2015**

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## Corporate Information

### Directors

Mr James Searle (appointed 2 March 2016)  
Mr Jason Ferris (appointed 31 July 2014)  
Mr Graham Chapman (appointed 21 January 2015)  
Mr Lee Christensen (appointed 16 April 2015)

Mr Ryan Rockwood (appointed 21 January 2015, resigned 24 November 2015)

### Company Secretary

Ms Nicki Farley (appointed 7 November 2012)

### Registered Office

Level 24, 44 St Georges Terrace  
PERTH WA 6000  
Telephone: (08) 6211 5099 Facsimile: (08) 9218 8875

### Share Registry

Computershare Investor Services Pty Limited  
Reserve Bank Building  
Level 2, 45 St Georges Terrace  
PERTH WA 6000

### Website

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

### Place of Incorporation

Western Australia

### Principal Place of Business

Level 24, 44 St Georges Terrace  
PERTH WA 6000  
Telephone: (08) 6211 5099 Facsimile: (08) 9218 8875

### Auditors

BDO Audit (WA) Pty Ltd  
38 Station Street  
Subiaco WA 6008

### Solicitors

Price Sierakowski Corporate  
Level 24, 44 St Georges Terrace  
PERTH WA 6000  
Telephone: (08) 6211 5099 Facsimile: (08) 9218 8875

### Bankers

National Australia Bank  
100 St Georges Terrace  
PERTH WA 6000

### Stock Exchange

ASX Limited  
Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

### ASX Code

WVL

## Directors Report For the half year ended 31 December 2015

The directors of Windimurra Vanadium Limited ("the Company") submit herewith the interim financial report for the half year ended 31 December 2015. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### Directors

The directors of the Company at any time during or since the end of the half year are:

#### Non-executive

Mr James Searle (appointed 2 March 2016)

Mr Jason Ferris (appointed 31 July 2014)

Mr Graham Chapman (appointed 21 January 2015)

Mr Lee Christensen (appointed 16 April 2015)

Mr Ryan Rockwood (appointed 21 January 2015, resigned 24 November 2015)

#### Company Secretary

Ms Nicki Farley (appointed 7 November 2012)

### Principal Activities

The current principal activity and key focus for the Company during the period is mineral exploration.

### Operating Results

The net loss of the Company for the half year ended 31 December 2015 was \$210,762 (2014: profit of \$44,290).

### Review of Operations and Events Subsequent to the Reporting Date

#### Sri Lankan Mineral Sands Project

During the period, the Company progressed its transaction for the proposed acquisition of 100% of the issued capital of Srinel Holdings Limited ("**Srinel**") from Cuprum Holdings Limited ("**Cuprum**"). Srinel is an unlisted company registered in Mauritius and, via its subsidiaries, owned 13 exploration licenses over 348 square kilometres in various coastal districts of Sri Lanka that are prospective for mineral sands.

Subsequent to the end of the period, on 29 January 2016, the Company announced that the parties had entered into an Amended and Restated Option Deed ("**Amended Option Deed**") to include an expanded project area, as well as to revise the consideration payable to Cuprum pursuant to the Original Deed.

Srinel has subsequently re-structured the mining tenements held by its subsidiaries and Srinel, via its subsidiaries, now holds exploration licences and applications for exploration licences over the 348 square kilometres previously contemplated by the Original Option Deed, together with an application for an exploration licence over a new 42 square kilometre area on Mannar Island, Sri Lanka (collectively, the "**Tenements**").

The revised consideration payable to Cuprum under the Amended Option Deed was as follows:

- (a) issue 200,000,000 fully paid ordinary shares in the Company to Cuprum upon the satisfaction of Milestone 1;
- (b) issue 200,000,000 fully paid ordinary shares in the Company to Cuprum upon the satisfaction of Milestone 2;
- (c) reimburse expenditure reasonably incurred by Cuprum in applying for, managing and developing the Tenements from 1 January 2014 onwards to Cuprum;
- (d) pay USD\$500,000 to Cuprum upon satisfaction of Milestone 3; and
- (e) pay USD\$2,000,000 to Cuprum upon satisfaction of Milestone 4.

As announced on 2 March 2016, to secure the expanded project area an additional \$50,000 option fee has been paid to Cuprum. In addition, it is agreed that the 400 million Consideration Shares to be issued by the Company to Cuprum under the Amended Option Deed be reduced by the number of Shares having a value of \$60,000 based the volume weighted average price for the Company's shares over the 5 trading days immediately before the date of the General Meeting of Shareholders to approve the Acquisition.

## Review of Operations and Events Subsequent to the Reporting Date (continued)

### Sri Lankan Mineral Sands Project (continued)

Completion of the Acquisition under the Amended Option Deed remains conditional upon the following conditions precedent being satisfied:

- (a) the Company obtaining all necessary shareholder and regulatory approvals required;
- (b) no material adverse changes in respect of the Tenements occurring;
- (c) no material default or breach of the Amended Option Deed occurring; and
- (d) no legal proceedings being commenced, pending or threatened by any person to enjoin, restrict or prohibit the completion of the Acquisition.

### Placement

Subsequent to the end of the period, on 11 February 2016 the Company announced it had completed a placement raising \$180,000 issuing 25,714,289 at \$0.007 per share. Funds raised will be used to provide additional working capital.

### Board Changes

On 24 November 2015, Mr Ryan Rockwood resigned as a non-executive director of the Company.

Subsequent to the end of the period, on 3 March 2016 the Company announced the appointment of Dr James Searle as Managing Director of the Company. Dr Searle's appointment strategically strengthens the Company's geological resources as it seeks to fast track further exploration of the Mannar Island project in Sri Lanka.

### Dividends

No dividends have been paid or declared by the Company to members during the half year ended 31 December 2015.

### Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 15 and forms part of the directors' report for the six months ended 31 December 2015.

Dated at Perth this 15<sup>th</sup> day of March 2016

Signed in accordance with a resolution of the directors.



Jason Ferris  
Director

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the six months ended 31 December 2015**

	Note	31 Dec 2015 \$	31 Dec 2014 \$
Administrative expenses		(127,027)	(116,219)
Audit expenses		(2,903)	(9,000)
Due diligence expenses		-	(20,953)
Director fees		(80,700)	(78,000)
<b>Results from operating activities</b>		<b>(210,630)</b>	<b>(224,172)</b>
Finance income		2,132	272,329
Finance expenses		(2,264)	(3,867)
<b>Net finance (expenses)/income</b>		<b>(132)</b>	<b>268,462</b>
<b>(Loss)/profit before income tax</b>		<b>(210,762)</b>	<b>44,290</b>
Income tax expense		-	-
<b>(Loss)/profit for the period</b>		<b>(210,762)</b>	<b>44,290</b>
<b>Total comprehensive (loss)/profit for the period</b>		<b>(210,762)</b>	<b>44,290</b>
<b>(Loss)/profit per share</b>			
Basic and diluted (loss)/profit per share		(0.05)	0.01

*The accompanying notes are an integral part of these financial statements.*

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## Statement of Financial Position

As at 31 December 2015

	Note	31 Dec 2015 \$	30 Jun 2015 \$
<b>Assets</b>			
Cash and cash equivalents		4,316	64,483
Trade and other receivables		21,813	158,377
Loan receivables		65,000	65,000
Other financial assets		652,955	-
<b>Total current assets</b>		<b>744,084</b>	<b>287,860</b>
<b>Non-current assets</b>			
Exploration and evaluation		300,000	300,000
Other financial assets		-	652,955
<b>Total non-current assets</b>		<b>300,000</b>	<b>952,955</b>
<b>Total assets</b>		<b>1,044,084</b>	<b>1,240,815</b>
<b>Liabilities</b>			
Trade and other payables		(88,181)	(74,150)
<b>Total current liabilities</b>		<b>(88,181)</b>	<b>(74,150)</b>
<b>Total liabilities</b>		<b>(88,181)</b>	<b>(74,150)</b>
<b>Net assets</b>		<b>955,903</b>	<b>1,166,665</b>
<b>Equity</b>			
Issued capital	3	3,079,868	3,079,868
Accumulated losses		(2,123,965)	(1,913,203)
<b>Total equity</b>		<b>955,903</b>	<b>1,166,665</b>

The accompanying notes are an integral part of these financial statements.

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## Windimurra Vanadium Limited

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### Statement of Changes in Equity For the six months ended 31 December 2014

	Share Capital \$	Convertible Note Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2014	2,738,355	310,509	(1,637,924)	1,410,940
Profit for the period	-	-	44,290	44,290
Total comprehensive profit for the period	-	-	44,290	44,290
Share issue costs	2,563			2,563
Balance at 31 December 2014	<b>2,740,918</b>	<b>310,509</b>	<b>(1,593,634)</b>	<b>1,457,793</b>
Balance at 1 July 2015	<b>3,079,868</b>	-	<b>(1,913,203)</b>	<b>1,166,665</b>
Loss for the period	-	-	(210,762)	(210,762)
Total comprehensive loss for the period	-	-	(210,762)	(210,762)
Share issue costs	-	-	-	-
Balance at 31 December 2015	<b>3,079,868</b>	-	<b>(2,123,965)</b>	<b>955,903</b>

*The accompanying notes are an integral part of these financial statements*

## Statement of Cash Flows

For the six months ended 31 December 2015

	31 Dec 2015	31 Dec 2014
	\$	\$
<b>Cash flows from operating activities</b>		
Cash paid to suppliers and administrators	(61,834)	(924,574)
Interest received	2,133	10,747
Interest paid	(466)	(231)
<b>Net cash used in operating activities</b>	<u>(60,167)</u>	<u>(914,058)</u>
<b>Cash flows from investing activities</b>		
Loan to related party	-	(65,000)
<b>Net cash used in investing activities</b>	<u>-</u>	<u>(65,000)</u>
<b>Cash flows from financing activities</b>		
Payments for share issue costs	-	(57,964)
Repayment of convertible note	-	(250,000)
Repayment of loan payable	-	(310,000)
<b>Net cash received from financing activities</b>	<u>-</u>	<u>(617,964)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(60,167)</u>	<u>(1,597,022)</u>
Cash and cash equivalents at 1 July	64,483	1,994,589
<b>Cash and cash equivalents at 31 December</b>	<u>4,316</u>	<u>397,567</u>

The accompanying notes are an integral part of these financial statements.

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## Notes to the financial statements For the half year ended 31 December 2015

### 1. Reporting Entity

Windimurra Vanadium Limited is a company domiciled in Australia. The interim financial report of the Company is as at and for the six months ended 31 December 2015.

The annual financial report of the Company as at and for the year ended 30 June 2015 is available upon request from the Company's registered office at Level 24, 44 St Georges Terrace Perth WA 6000.

#### Statement of compliance

The interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. Selected explanatory notes are included to explain events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Company since the last annual financial report as at and for the year ended 30 June 2015.

The interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual financial report of the Company as at and for the year ended 30 June 2015.

The interim financial report is approved by the Board of Directors on 15<sup>th</sup> March 2016.

#### Estimates

Preparing interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2015.

#### Other financial assets

Due to the exercise of the instrument during the period, its fair value has been determined by reference to the consideration paid to acquire the instrument.

#### Significant accounting policies

The accounting policies applied by the Company in this interim financial report are the same as those applied by the Company in its annual financial report as at and for the year ended 30 June 2015.

A number of new or amended standards became applicable for the current reporting period. However, the Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There may be some changes to the disclosure in the 30 June 2016 annual report as a consequence of these amendments.

There were no standards issued since 30 June 2015 that have been applied by the company. The 30 June 2015 annual report disclosed that the Company anticipated no material impacts (amounts recognised and/or disclosed) arising from initial application of those standards issued but not yet applied at that date, and this remains the assessment as at 31 December 2015.

#### Segment reporting

The Company operated in one industry, being mining and mining exploration, and is in the one geographical segment, Australia.

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## Notes to the financial statements

### For the half year ended 31 December 2015

#### 2. Going Concern

These interim financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Company incurred an operating loss of \$210,762 for the period ended 31 December 2015 (31 December 2014: profit of \$44,290) and has net assets of \$955,903 (30 June 2015: net assets of \$1,166,665). The Company had a net cash outflow from operating activities amounting to \$44,527 (31 December 2014: \$889,539) and a cash balance as at 31 December 2015 of \$4,316 (30 June 2015: \$64,483).

The ability of the Company to continue as a going concern is principally dependent upon the Company's ability to raise funds under an additional sophisticated placement in March 2016 and a prospectus capital raising as required for the Company to acquire Srinel Holdings Limited and for working capital purposes.

The directors of the Company are confident that the entity will be able to continue its operations as a going concern, however, the above conditions indicate the existence of a material uncertainty which may cast significant doubt about the entity's ability to continue as a going concern and therefore, the entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

#### 3. Capital and Reserves

##### Share capital

##### Fully paid ordinary shares

On issue at 1 July 2014

*No shares issues occurred during the period*

Share issue costs

On issue at 31 December 2014

On issue at 1 July 2015

*No shares issues occurred during the period*

On issue at 31 December 2015

	Number	\$
On issue at 1 July 2014	399,284,366	2,738,355
<i>No shares issues occurred during the period</i>	-	-
Share issue costs	-	2,563
On issue at 31 December 2014	<u>399,284,366</u>	<u>2,740,918</u>
On issue at 1 July 2015	449,179,366	3,079,868
<i>No shares issues occurred during the period</i>	-	-
On issue at 31 December 2015	<u>449,179,366</u>	<u>3,079,868</u>

#### 4. Events Subsequent to the Reporting Date

##### Sri Lankan Mineral Sands Project

On 29 January 2016, the Company announced that the parties had entered into an Amended and Restated Option Deed ("**Amended Option Deed**") to include an expanded project area, as well as to revise the consideration payable to Cuprum pursuant to the Original Deed.

Srinel has subsequently re-structured the mining tenements held by its subsidiaries and Srinel, via its subsidiaries, now holds exploration licences and applications for exploration licences over the 348 square kilometres previously contemplated by the Original Option Deed, together with an application for an exploration licence over a new 42 square kilometre area on Mannar Island, Sri Lanka (collectively, the "**Tenements**").

The revised consideration payable to Cuprum under the Amended Option Deed was as follows:

- (a) issue 200,000,000 fully paid ordinary shares in the Company to Cuprum upon the satisfaction of Milestone 1;
- (b) issue 200,000,000 fully paid ordinary shares in the Company to Cuprum upon the satisfaction of Milestone 2;
- (c) reimburse expenditure reasonably incurred by Cuprum in applying for, managing and developing the Tenements from 1 January 2014 onwards to Cuprum;
- (d) pay USD\$500,000 to Cuprum upon satisfaction of Milestone 3; and
- (e) pay USD\$2,000,000 to Cuprum upon satisfaction of Milestone 4.

As announced on 2 March 2016, to secure the expanded project area an additional \$50,000 option fee has been paid to Cuprum. In addition, it is agreed that the 400 million Consideration Shares to be issued by the Company to Cuprum under the Amended Option Deed be reduced by the number of Shares having a value of \$60,000 based the volume weighted average price for the Company's shares over the 5 trading days immediately before the date of the General Meeting of Shareholders to approve the Acquisition.

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**4. Events Subsequent to the Reporting Date (continued)**

**Sri Lankan Mineral Sands Project (continued)**

Completion of the Acquisition under the Amended Option Deed remains conditional upon the following conditions precedent being satisfied:

- (a) the Company obtaining all necessary shareholder and regulatory approvals required;
- (b) no material adverse changes in respect of the Tenements occurring;
- (c) no material default or breach of the Amended Option Deed occurring; and
- (d) no legal proceedings being commenced, pending or threatened by any person to enjoin, restrict or prohibit the completion of the Acquisition.

**Placement**

On 11 February 2016 the Company announced it had completed a placement raising \$180,000 issuing 25,714,289 at \$0.007 per share. Funds raised will be used to provide additional working capital.

**Board Changes**

On 3 March 2016 the Company announced the appointment of Dr James Searle as Managing Director of the Company. Dr Searle's appointment strategically strengthens the Company's geological resources as it seeks to fast track further exploration of the Mannar Island project in Sri Lanka.

**5. Commitments and Contingent Liabilities**

There are no commitments or contingent liabilities as at 31 December 2015.

**6. Fair Values of Financial Instruments**

**Recurring Fair Value Measurements**

The Company does not have any financial instruments that are subject to recurring or non-recurring fair value measurement.

**Fair Values of Financial Instruments Not Measured at Fair Value**

Due to their short-term nature, the carrying amounts of current receivables of current trade and other payables is assumed to equal their fair value.

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## Directors Declaration

The Directors of Windimurra Vanadium Limited ("the Company") declare that:

- a) the interim financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position of the Company as at 31 December 2014 and of its performance for the six month period ended on that date; and
  - (ii) comply with Accounting Standards AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- b) whilst drawing attention to the disclosure as set out in Note 2, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Perth this 15<sup>th</sup> day of March 2016

Signed in accordance with a resolution of the directors:



Jason Ferris  
Director

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Windimurra Vanadium Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Windimurra Vanadium Limited, which comprises the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

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

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 the company's financial position as at 31 December 2015 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 Windimurra Vanadium 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 2001*, which has been given to the directors of Windimurra Vanadium Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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## 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 Windimurra Vanadium Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

## Emphasis of matter

Without modifying our conclusion, we draw attention to Note 2 in the half-year financial report, which indicates that the ability of the company to continue as a going concern is dependent upon the company's ability to raise funds under an additional sophisticated placement in March 2016 and a prospectus capital raising as required for the company to acquire Srinel Holdings Limited and for working capital purposes. These conditions, along with other matters as set out in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit (WA) Pty Ltd



Dean Just

Director

Perth, 15 March 2016

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DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF WINDIMURRA VANADIUM LIMITED

As lead auditor for the review of Windimurra Vanadium Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

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



Dean Just  
Director

BDO Audit (WA) Pty Ltd  
Perth, 15 March 2016

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