



QUARTERLY OPERATIONS REPORT TO 31 DECEMBER 2014

- Exercise of Option – Sri Lankan Mineral Sands Project
- First Drilling Results reveal significant results for Total Heavy Metals (THM)

SRI LANKAN PROJECT

Exercise of Option

On 29 December 2014, Windimurra Vanadium Limited (“**Company**”) announced that it had completed its due diligence and exercised its option to acquire 100% of the issued capital of Srinel Holdings Limited (“**Srinel**”) in accordance with the Option Agreement dated 19 March 2014 (“**Acquisition**”).

Srinel is an unlisted company registered in Mauritius which owns 13 exploration licenses in various coastal districts of Sri Lanka that are prospective for mineral sands. Completion of the Acquisition is subject to the Company obtaining all necessary shareholder and regulatory approvals.

Drilling Results

As announced to ASX on 9 December 2014 the initial drilling programs were completed with first hand-held auger drill results received by Srinel.

GeoActiv (Pty) Ltd reported on the total heavy mineral (THM) results from the Tetra Bromo Ethane (TBE) heavy fraction separation from an exploration program undertaken on three of the thirteen Sri Lankan Heavy Mineral Sands exploration licences (EL180, EL182 and EL203). A total of 7 batches of results were received.

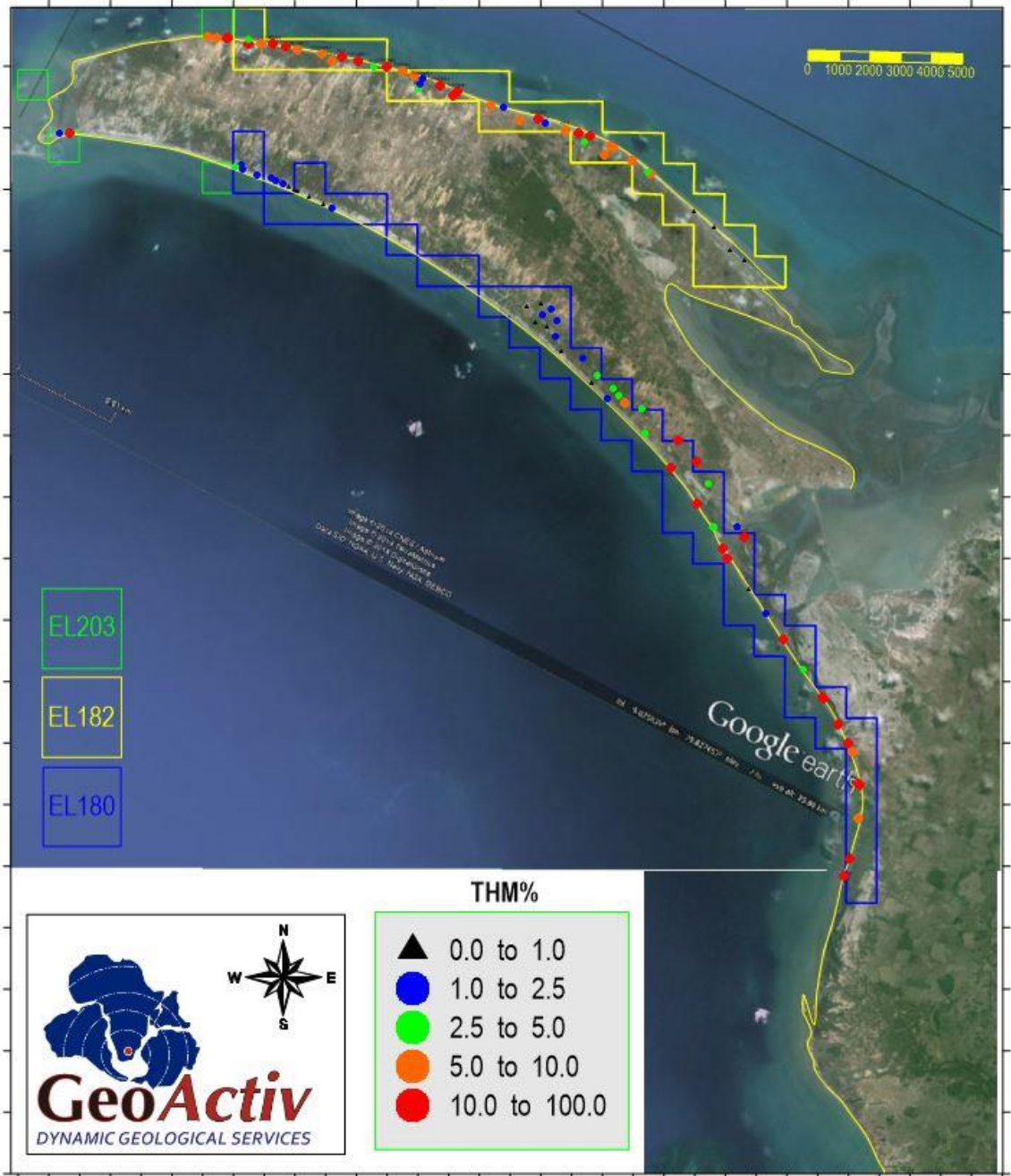
The THM results received from the first two batches have proven the presence of high THM grades within EL182, the highest weighted average THM grade received being 41.14% THM over a 200cm interval for auger hole NS12. The results have verified THM grades of historic work done by the Sri Lankan Geological Survey and Mines Bureau, as well as indicating a ~10km strike-length of mineralisation. The average weighted THM grade for EL182 is 12.26% THM over 172cm for the results received. Some drilling further from the coast showed that mineralization is open in this area and most of the holes are also open at depth, with grades >1% THM for the deepest samples.

Results for batches 3 to 7 returned some very good THM results, with the highest weighted THM grades in EL182, EL180 and EL203 being 19.76 %THM over 229cm in TUPE/BM11, 24.05 %THM over 95cm in NS56 and 22.27 %THM over 135cm in WB25 respectively. Average weighted THM grades (holes >1 %THM) for the mineralized area within EL182 is 7.89 %THM over 185cm across a 10.54 km strike-length and within EL180 is 8.65 %THM over 138cm across a 18.71km strike-length. The exploratory work within EL203 did return a weighted THM grade of 10.78 %THM over 138cm across a 1.00 km strike-length in one block, with a second block only explored by 2 augerholes (positive results).

Further Analytical and Mineralogical Analyses

Further analytical and mineralogical analyses of the drill samples and element assessment is underway and results are expected to be released during February-March 2015.

Figure1: All BH's from Srinel exploration program within EL182, EL180 and EL203.



Competent Person Statement : The details pertaining to exploration results are based upon information compiled by Mr. JN Badenhorst from GeoActiv (Pty) Ltd. Mr. Badenhorst is an independent consultant for Srinel. He is a Member of the South African Council for Natural Scientific Professions (registration number 400157/07) and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Badenhorst consents to the inclusion in this release of the matters based on the information in the form and context in which it appears.

WINDIMURRA VANADIUM PROJECT

During the quarter, an initial technical review of the Company's Western Australian mining lease M58/272 was undertaken to consider prospectivity and future exploration activities.

Changes to the Tenement Schedule in the past Quarter

Project	Location	Tenement Number	Economic Entity's Interest at Quarter End	Change in Economic Entity's Interest During Quarter
Windimurra Vanadium Project	Mid-West Region of Western Australia	M58/272	100%	No Change

CORPORATE - BOARD CHANGES

Subsequent to the end of the quarter, Mr Graham Chapman and Mr Ryan Rockwood have been appointed as Non-Executive Directors of the Company replacing Mr KC Ong.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Windimurra Vanadium Limited

ABN

65 009 131 533

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	-	(25)
(b) development	-	-
(c) production	-	-
(d) administration	(257)	(899)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	11
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(251)	(913)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	(65)	(65)
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	(65)	(65)
1.13 Total operating and investing cash flows (carried forward)	(316)	(978)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.13 Total operating and investing cash flows (brought forward)	(316)	(978)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	-	-
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	-
1.17 Repayment of borrowings	-	(310)
1.18 Dividends paid	-	-
1.19 Other:		
(a) Capital raising costs	117	(58)
(b) Convertible notes	-	(250)
Net financing cash flows	117	(618)
Net increase (decrease) in cash held	(199)	(1,596)
1.20 Cash at beginning of quarter/year to date	597	1,994
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at end of quarter	398	398

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	99
1.24 Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

1. Director fees;
2. Accounting, company secretarial and office services;
3. Legal fees; and
4. Reimbursements.

Includes amounts paid to entities associated with the Directors'.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

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- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	89
4.2 Development	-
4.3 Production	-
4.4 Administration	231
Total	320

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	398	597
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details) – Term Deposit	-	-
Total: cash at end of quarter (item 1.22)	398	597

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Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	NIL		
6.2	Interests in mining tenements acquired or increased	NIL		

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	Nil	Nil		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	Nil	Nil		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>	Nil	Nil		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	Nil	Nil		
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>	Nil	Nil		
7.12 Unsecured notes <i>(totals only)</i>	Nil	Nil		

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 30th January 2015

(Company secretary)

Print name:

Nicki Farley

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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