

QUARTERLY OPERATIONS REPORT TO 31 DECEMBER 2015

SRI LANKAN MINERAL SANDS PROJECT

During the quarter, Windimurra Vanadium Limited ("**Company**" or "**WVL**") progressed the transaction for its proposed acquisition of 100% of the issued capital of Srinel Holdings Limited ("**Srinel**") pursuant to the Option Deed between the Company and Cuprum Holdings Limited ("**Cuprum**").

Subsequent to the end of the quarter and as announced on 29 January 2016, the Company and Cuprum have 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.

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 Company and Cuprum have therefore entered into the Amended Option Deed to acknowledge the expanded area contemplated by the Tenements, as well as to revise the consideration payable to Cuprum.

The Company is now working towards finalising its notice of meeting to obtain the required shareholder approvals to complete the acquisition.

Placement

As announced on 29 January 2016, the Company will undertake a placement to sophisticated investors of 30 million fully paid ordinary shares at \$0.007 per Share to raise up to \$210,000. Funds raised will be used to provide additional working capital.

WINDIMURRA VANADIUM PROJECT

During the quarter, a 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

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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 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(1)	(16)
(b) development	-	-
(c) production	-	-
(d) administration	(109)	(46)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(110)	(60)
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	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(110)	(60)

+ 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)	(110)	(60)
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	-	-
1.18 Dividends paid	-	-
1.19 Other:	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	(110)	(60)
1.20 Cash at beginning of quarter/year to date	114	64
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at end of quarter	4	4

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	55
1.24 Aggregate amount of loans to the parties included in item 1.10	-
1.25 Explanation necessary for an understanding of the transactions	
1. Director fees; 2. Consultancy fees; and 3. 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

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

+ See chapter 19 for defined terms.

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	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	84
4.2 Development	-
4.3 Production	-
4.4 Administration	109
Total	193

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	4	114
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)	4	114

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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Appendix 5B
Mining exploration entity quarterly report

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:



(Director)

Date: 29th January 2016

Print name:

Jason Ferris

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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