26th April 2016

Company Announcements Office
Australian Securities Exchange
10th Floor, 20 Bond Street
SYDNEY NSW 2000

MANNAR ISLAND HEAVY MINERAL PROJECT UPDATE, HIGH GRADE RESULTS SUBSTANTIATE EXPANDED TARGET CORRIDOR

REPUBLIC OF SRI LANKA

HIGHLIGHTS

- **Results just received from the Mannar Island Heavy Mineral Project due diligence drilling completed in December 2015 demonstrate major resource upgrade potential.**
- **THM (Total Heavy Mineral) values of up to 27% have been encountered inland of the existing resource.**
- **Of the 75 drill holes 35 have returned average grades between 5 and 19% THM over the entire drill hole from surface.**
- **Results and land form analyses have defined a much expanded and highly prospective target corridor of 42km^2 extending across Mannar Island linking the two areas of the previously reported high grade ilmentite and leucoxene resources along the shorelines on either side of the island.**
- **Potential to rapidly and cost effectively increase the previously drill defined resources substantially.**

The Board of Windimurra Vanadium Limited ("Windimurra") is pleased to report the laboratory results from due diligence drilling carried out in November and December 2015 on the Mannar Island Heavy Mineral Sand Project (Figure 1). The known heavy mineral resource at the Mannar Project previously reported of 10.4 Mt at 11.7% THM* is based on drilling along the shoreline largely only up to 150m inland. The latest total heavy mineral results have shown that the high grade mineralisation envelope can locally extend at least 400m inland with THM (Total Heavy Mineral) contents of up to 27% (Figures 2 and 3). It is anticipated that the mineralogy of the latest results will be similar to the reported resource, with a very high proportion of VHM (Valuable Heavy Minerals) and dominantly ilmenite and leucoxene with subsidiary zircon and rutile. Further mineralogical work will be undertaken after the next phase of drilling.

Of the 75 holes drilled 35 returned weighted average grades of between 5 and 19% THM (Table 1). In almost all holes the mineralisation begins at the surface. A total of 48 holes were drilled using a D45 power auger rig with 75mm diameter flights and a “slip cover” to assist in sample recovery. The remaining 27 holes were drilled using a “Dormer” style hand shell auger. All samples were sent for analysis; a full listing of results is contained in Appendix 2.

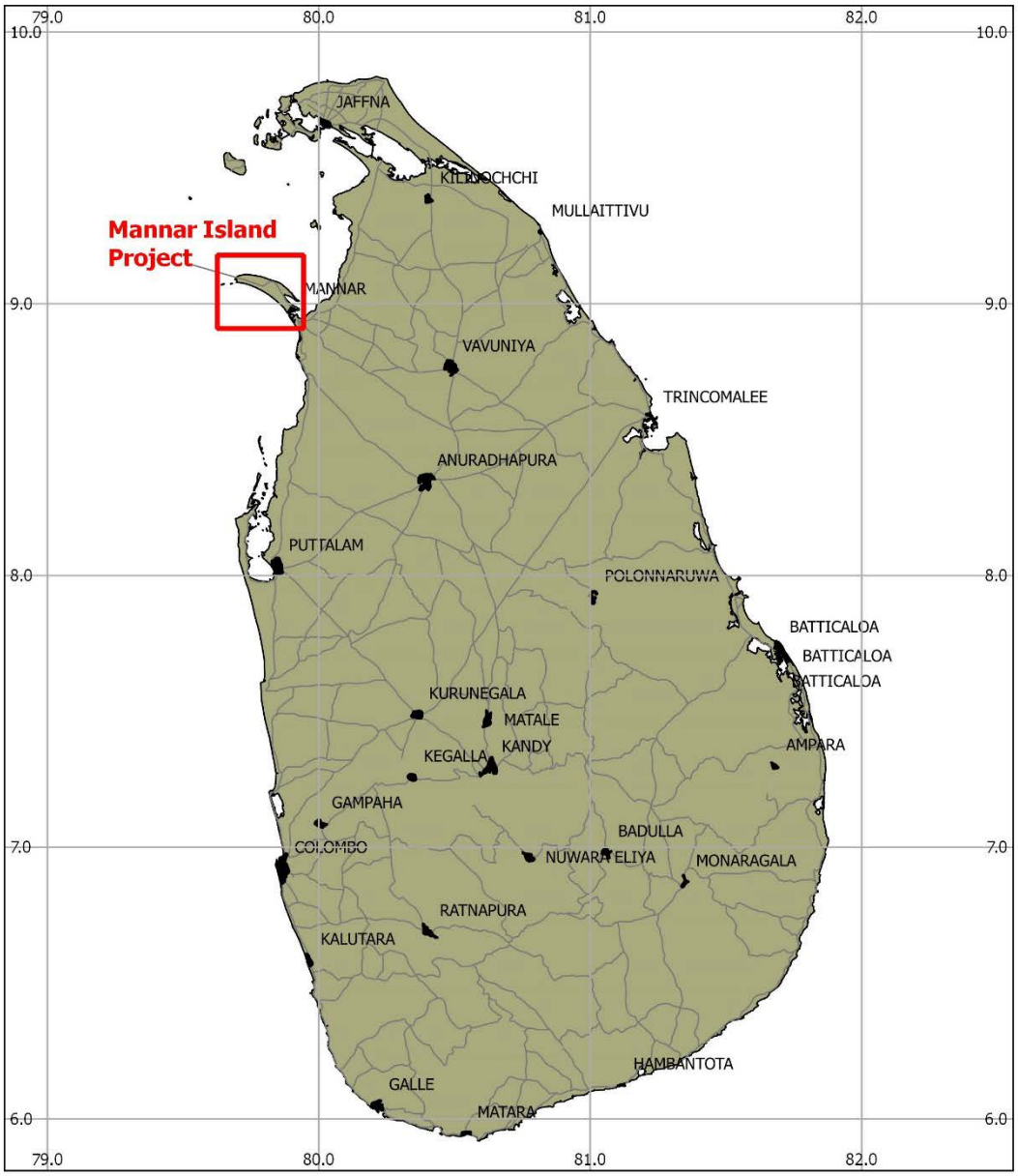

Figure 1 Mannar Island Heavy Mineral Sand Project location.

Table 1 High grade drill hole intercepts

DHID	Deg. N WGS84	Deg. E WGS84	Intercept m	Wgtd ave THM %
MA001	9.07343	79.85005	1.0	8.07
MA014	9.09724	79.7916	0.7	10.11
MA017	9.09601	79.78328	0.5	5.06
MA018	9.09679	79.78288	0.2	5.73
MA019	9.0975	79.78269	0.2	6.26
MA030	9.09142	79.80707	2.3	6.33
MA032	9.0905	79.80705	1.8	5.42
MA034	9.09037	79.80932	1.9	9.32
MA035	9.08994	79.80917	1.8	7.77
MA040	9.09497	79.79819	2.3	6.48
MA050	9.09809	79.78902	0.9	8.80
MA054	9.09695	79.79197	1.7	5.63
MA056	9.09912	79.7857	1.6	7.78
MA058	9.09956	79.78092	1.8	9.67
MA060	9.09868	79.78062	0.7	8.76
MA061	9.09827	79.78045	0.5	6.99
MA062	9.10212	79.76816	2.0	7.46
MA063	9.10144	79.76565	0.5	13.03
MA064	9.09214	79.8065	2.0	9.13
MA065	9.09355	79.80337	1.8	6.02
MA066	9.09605	79.7974	1.6	9.07
MA069	9.09831	79.78742	0.5	5.35
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MA071	9.10642	79.74516	2.5	12.68
MA072	9.10595	79.74514	0.9	8.74
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MA080	9.089403	79.742638	0.5	14.17
MA081	9.05166	79.84683	0.5	17.93
MA082	9.06326	79.8375	0.5	13.26

Note 1: All mineralisation intercepts from surface to water table, and all holes vertical.

Note 2: Collar elevations not yet surveyed but most will be 1 to 3m above mean sea level.

Note 3 Holes MA80,81 and 82 as reconnaissance holes were only sampled from 0.5 to 1.0m.

The majority of the holes were drilled inland from the previously defined shoreline resource envelope to test for extensions or repetitions of the high grade mineralisation along the shoreline. As in the defined resource, the mineralisation extends from the surface 1 to 3m down to the water table. All holes were terminated at the water table. At the time of drilling the water table was up to 0.75m higher than normal due to exceptional wet season conditions. Consequently it is expected that commensurately deeper mineralisation intercepts will be attainable during the dry season. The extent of heavy mineral sand accumulations below the water table are as yet untested.

Three isolated reconnaissance drill holes were drilled 2 km inland and 12 km apart in the centre of the island have also returned total heavy mineral concentrations of 13 to 18% (Figure 3).

Landform analysis has indicated that a large portion of the interior of Mannar Island consists of a level plain formed by accretion of beach sediments fed by a consistent pattern of longshore drift from the adjacent mainland to the south and westward along the southern and northern shorelines of Mannar Island. As the sands have migrated along the accreting shoreline of Mannar Island the lighter components have been preferentially winnowed westward leaving the heavy ilmenite, leucoxene and the other heavy minerals preferentially concentrated. High heavy mineral grades from the reconnaissance drill holes in the centre of the island (Figure 3) evidence that this process has developed an extensive plain of paleo beach sediments potentially hosting areas of high grade heavy mineral sands analogous to the resources along the North West and South East shorelines of the island. This zone of prospective paleo beach sediments covers in excess of 42km^2 of Mannar Island (Figure2).

A 1,000 drill hole program of pattern drilling is proposed to test the entire 42km^2 target zone, with drilling lines 800m apart and drill holes every 50m along the lines. Subsequent infill drilling in areas of heavy mineral concentration will be necessary to provide sufficient data density for resource then reserve modelling. Due to the consistent blanket geometry of the beach plain sediments it is possible to drill using shell sand augers down the present water table and to obtain uncontaminated samples from precise intervals. This form of drilling can be completed quickly and at exceptionally low cost in this terrain.

The Company looks forward to updating shareholders on the project and drilling plans as soon as possible after a General Meeting to formally approve the acquisition of the project.

ABOUT THE MANNAR ISLAND HEAVY MINERAL SAND PROJECT

Srinel Holdings Ltd is an unlisted company registered in Mauritius which holds via subsidiary companies 13 exploration licences (covering 348km^2)and an exploration license application (covering 42km^2). Windimurra has exercised its option to acquire 100% of the issued capital of Srinel under the updated terms as released to ASX on 29 January 2016.

An initial JORC inferred mineral resource of 10.3 Mt with total heavy mineral (THM) of 11.7% (Table 2) was reported to the Australian Securities Exchange on the 22 April 2015 *. This resource was based on an historical drill hole data base of 785 auger drill holes and from the 115 holes drilled in

2014. The drilling and the defined resource envelope were largely confined to within 150m of the Mannar Island shoreline.

Tonnes	%THM	%Silt	%Oversize	%Ilm.	%Leuc.	%Rut.	%Zir
10.33Mt	11.71	2.08	8.69	5.54	1.34	0.18	0.26

Table 2 JORC inferred mineral resource Mannar Island Project *.

The reported mineral resource at Mannar indicates a high grade deposit with leucoxene grades alone approaching that of specialised leucoxene producers, but also having in addition very high (by industry industry standards) ilmenite grades and significant subsidiary amounts of the premium value minerals of rutile and zircon.

**The JORC resource referred to here was reported by the Company to the Australian Securities Exchange in full on the 22 April 2015 and remains current.*

Except where indicated, technical comments and descriptions above have been compiled by James Searle BSc (hons), PhD, a Member of the Australian Institute of Mining and Metallurgy, with over 34 years experience in metallic and energy minerals exploration and development, and coastal geology research, as such has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Searle is the Managing Director of Windimurra Vanadium Limited and consents to the inclusion of this technical information in the format and context in which it appears.

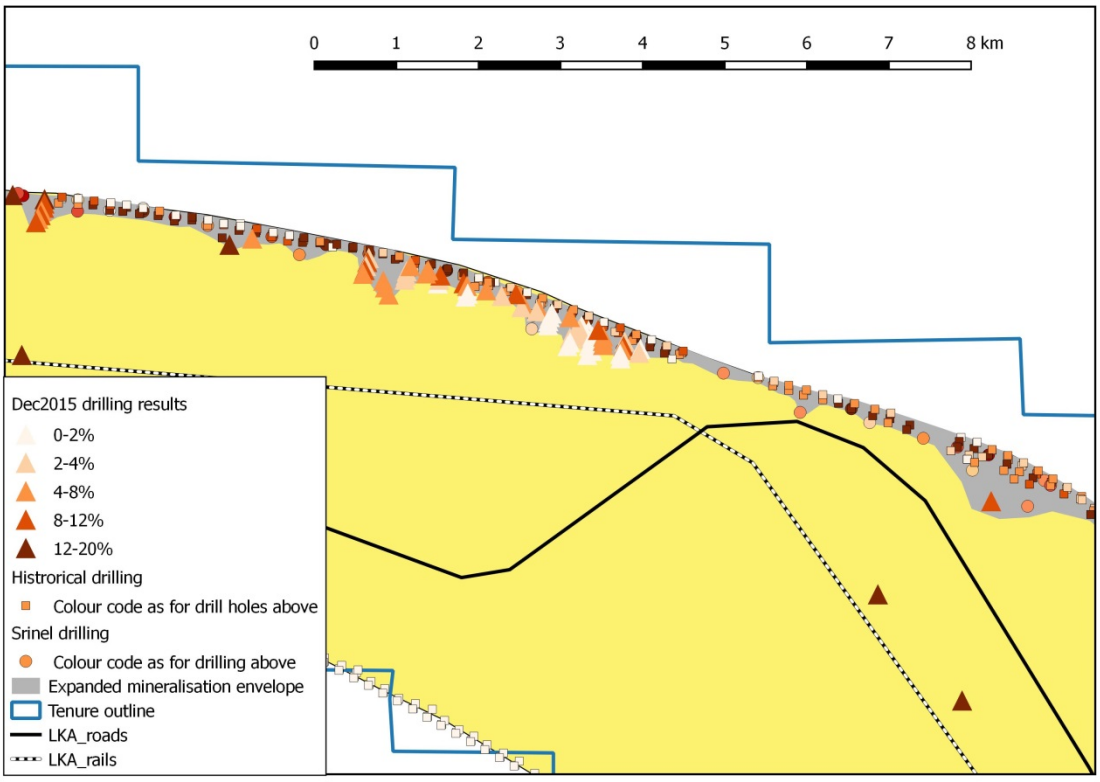

Figure 2 Mannar Island Project all drill holes and expanded mineralisation zone on the North West coast.

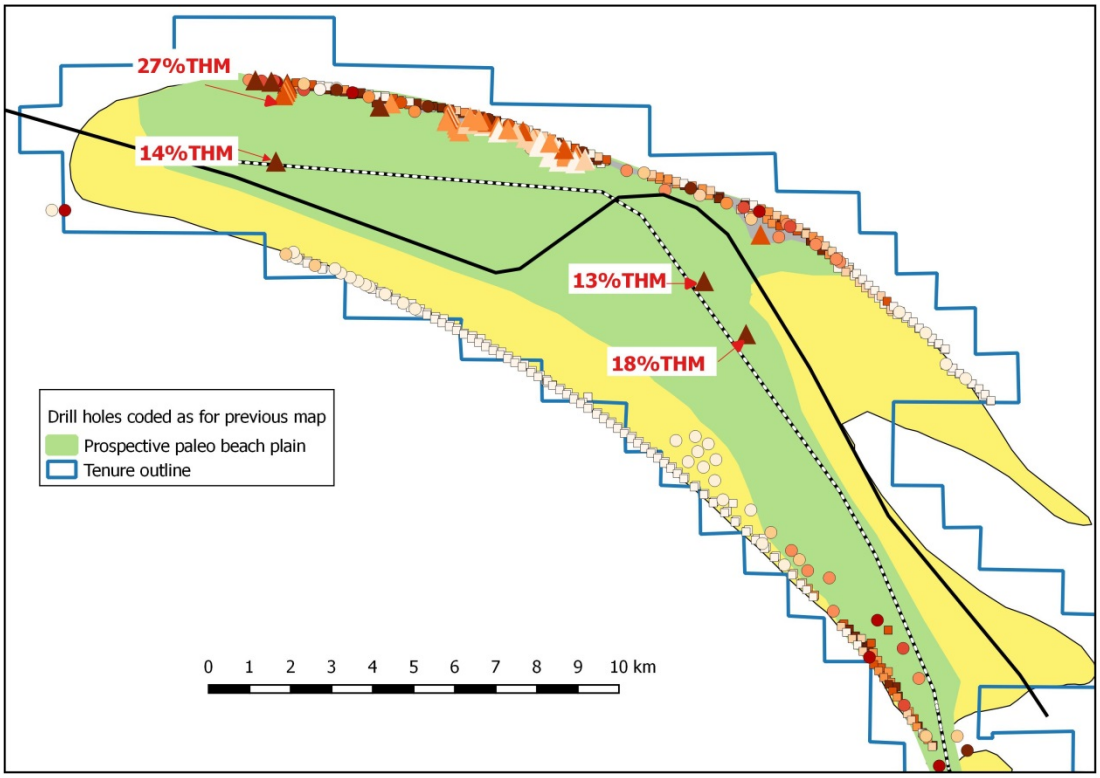

Figure 3 Prospective paleo beach ridge plain, high grade reconnaissance holes and the high grade zones of the current resource along the south east and North West coasts.

Appendix 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

All drilling, sampling and sample splitting procedures were designed and audited by Dr James Searle, the Competent Person named in the body of this report.

Criteria	Explanation	Commentary
Sampling techniques	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	• 100% of recovered sample collected and bagged. • Sample interval down hole every 0.5m or part interval. • No sampling below water table.
Drilling techniques	• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	• Holes by power auger drill rig, 75mm helical auger and slip cover, total holes 48, maximum depth 3.6m. • Hand auger, vertical, Dormer type shell auger 75mm, 27 holes, maximum depth 2.5m • All holes vertical.

Criteria	Explanation	Commentary
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Weight of sample recovered logged against estimate of 100% recovery weight. • For the hand auger holes, re-entry depth of auger tip noted against depth achieved before auger withdrawn to recover sample. Hole abandoned if more 3cm of fall back in hole noted.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. • The total length and percentage of the relevant intersections logged.	• Recovered samples logged in standardized format for all relevant visual parameters including sediment, rounding, sorting etc. • Photographic record of collected samples. • Logging of visual parameters qualitative but referenced to standard parameter sheets. • All drill hole samples logged at drill site. • Visual estimates of THM on every sample but only to record not present, present, abundant or very abundant.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• 100% of recovered sample bagged at drill site. • Homogenised by repeated rolling of sample bag. • Splitting of sample into 1.5kg lab sample and retained sample through 12 chute riffle splitter. Sample loaded evenly into splitter on top of removable baffle to ensure optimal distribution across the splitter. • Duplicate splits for 5% of samples retained and labelled with a non-sequential sample code for subsequent laboratory QA/QC • Custody chain of samples maintained from drill site to laboratory
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and*	• Split 1.5kg samples consigned to Scientific Services Ltd in Cape Town, a laboratory with extensive experience in heavy mineral analyses. • Oversize determined by retention on 1mm mesh sieve. • “Slimes” determined by wet sieving through 45 micron sieve.

Criteria	Explanation	Commentary
	model, reading times, calibrations factors applied and their derivation, etc. • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Total Heavy Mineral content determined by Tetrobromoethane (TBE) medium separation at a SG of 2.95. • Laboratory standard procedures were employed for the TBE separation work, including taking all necessary steps to ensure that all the material presented to the TBE medium was conserved either as sink material or float material. • THM material was retained and will be used in composite sample determinations of heavy mineral assemblages.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Duplicate lab samples for 5% of samples retained for subsequent analysis at separate laboratory.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill collars located using GPS WGD84 to an accuracy typically of better than 6m • Topographic control to be determined from subsequent survey and DTM tie in.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drilling spacing varying from 50m to 100m along lines at 200m, 400m and 800m nominal separations along the shoreline trend. • Isolated reconnaissance drilling.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Shoreline concentrated heavy minerals when preserved by net coastal progradation seaward form strands of mineralisation that can vary from 10s to hundreds of metres wide but many hundreds or metres and kilometres. Drill lines are therefore optimally oriented across the trend direction of the paleo shoreline positions. Drill hole spacing along the lines were designed to find HM strands as narrow as 25 to

Criteria	Explanation	Commentary
		50m wide. Separation of the drill lines along the paleo shoreline orientations reflects the much greater along shore dimensions of any potentially economic strands.
Sample security	• *The measures taken to ensure sample security.*	• Custody of samples documented, and integrity of packaging monitored.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Internal laboratory standard were reported along with the results and were found to be within acceptable limits.

Section 2 Reporting of Exploration Results

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

Criteria	Explanation	
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Granted exploration licenses. • No known overriding interests at this stage. • Normal state royalty regime.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previously reported to the ASX.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Holocene to Modern coastal sand deposit hosted heavy mineral sands

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  • *easting and northing of the drill hole collar*
	  • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  • *dip and azimuth of the hole*
	  • *down hole length and interception depth*
	  • *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this*
		• Tabulation of all drill hole information contained within table 1 of the announcement above, with the exception of RL which will be provided later when a DTM is available. At this time collar elevation is considered not material due to the lack of significant elevation changes over the area.

Criteria	Explanation	
	exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Drill hole intercepts based on all sample results from each drill hole.. • Sample intervals of 0.5m, except for end of hole intercepts of less than 0.5m. • Reported interval THM% based on weighted average using individual sample intercept length.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Heavy mineral zones in pale beach sediments are flat or only very shallowly dipping. All drill holes were vertical.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Plans of drill hole locations historical and subject of this announcement are provided. • Sectional representations not considered relevant as the drill depths were rarely more than 2m.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All samples collected were sent to the laboratory and all results reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock*	• Not applicable.

Criteria	Explanation	
	characteristics; potential deleterious or contaminating substances.	
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Drilling of further 1,000 auger holes planned for 2016. • Planned 45km^2 area of proposed drilling indicated in plan contained in announcement.

Appendix 2
Complete listing of all drilling results.

DHID	Deg. N WGS84	Deg. E WGS84	Intercept from surface to EOH	Wgtd ave THM %
MA001	9.07343	79.85005	1.0	8.07
MA010	9.09206	79.80545	2.4	1.67
MA011	9.09115	79.80549	1.8	3.36
MA012	9.09038	79.80547	1.4	0.52
MA013	9.0894	79.8053	1.0	1.21
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MA017	9.09601	79.78328	0.5	5.06
MA018	9.09679	79.78288	0.2	5.73
MA019	9.0975	79.78269	0.2	6.26
MA020	9.09258	79.80468	4.7	1.72
MA021	9.09223	79.80442	2.3	2.03
MA022	9.09181	79.80415	1.5	3.16
MA023	9.09152	79.80377	1.4	2.29
MA024	9.09127	79.80337	1.7	2.01
MA025	9.09079	79.8034	1.1	0.83
MA026	9.09038	79.80311	1.2	0.72
MA027	9.09143	79.80587	2.0	1.46
MA028	9.09077	79.80564	1.9	0.79
MA029	9.08986	79.80585	1.5	1.29
MA030	9.09142	79.80707	2.3	6.33
MA031A	9.09095	79.80703	1.1	4.05
MA031B	9.09095	79.80704	1.8	4.14
MA032	9.0905	79.80705	1.8	5.42
MA033	9.09086	79.80944	2.8	3.29
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MA039	9.08964	79.81104	1.5	3.12
MA040	9.09497	79.79819	2.3	6.48
MA041	9.09461	79.798	1.6	2.41
MA042	9.09445	79.79992	2.7	4.18
MA043	9.09418	79.79968	2.0	2.80
MA044	9.09394	79.80138	2.8	0.94
MA045	9.09355	79.80114	2.3	0.55
MA046	9.09311	79.80099	1.6	1.71

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MA051	9.09855	79.78529	0.9	3.95
MA052	9.09809	79.78519	2.1	3.81
MA053	9.09763	79.78506	1.4	3.25
MA054	9.09695	79.79197	1.7	5.63
MA055	9.09611	79.79205	1.3	1.59
MA056	9.09912	79.7857	1.6	7.78
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