WINDIMURRA VANADIUM

ABN 65 009 131 533

WINDIMURRA VANADIUM LIMITED

Annual Financial Report
For the year ended 30 June 2016

Contents

Corporate Information

Directors	James Searle (appointed 2 March 2016) Jason Ferris Lee Christensen Graham Chapman Ryan Rockwood (resigned 24 November 2015)
Company Secretary	Ms Nicki Farley
Registered Office and Principal Place of Business	Level 24, 44 St Georges Terrace PERTH WA 6000 Telephone: (08) 6211 5099 Facsimile: (08) 9218 8875
Share Registry	Computershare Investor Services Pty Limited Level 11 1782 St Georges Terrace PERTH WA 6000
Website	**www.windimurravanadium.com.au**
Place of Incorporation	Western Australia
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	Suncorp Bank 41-43 St Georges Terrace PERTH WA 6000 National Australia Bank 100 St Georges Terrace PERTH WA 6000
Stock Exchange	ASX Limited Exchange Plaza Level 40 152-158 St Georges Terrace PERTH WA 6000
ASX Code	WVL

Windimurra Vanadium Limited
Directors' report
For the year ended 30 June 2016

1. Directors

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

Name, qualifications and independence status	**Experience, special responsibilities and other directorships**
James Searle *Managing Director*	Dr Searle was appointed as a Director of the Company on 2 March 2016. Dr Searle has over 34 years' experience in base metals, precious metals and mineral sand deposits. He has led successful exploration, project development and operational teams in Australia, Africa, Northern Europe, and Central Asia. Dr Searle has a BSc(Hons) in geology and a PhD from the University of Western Australia. He is a Member of the Australian Institute of Mining and Metallurgy and has 22 years' experience in executive and nonexecutive Director roles on Australian Stock Exchange listed public company boards. Dr Searle holds 1,500,000 shares in the Company as at the date of this report. During the past three years, Dr Searle has served as a Director for the following other listed companies: • Kinetiko Energy Limited – appointed 25 January 2010.
Jason Ferris *Non-Executive Director*	Mr Ferris was appointed as a Director of the Company on 31 July 2014. Mr Ferris is an experienced financial services professional having worked in financial services, property and corporate finance industries for more than 25 years. Mr Ferris currently serves as Executive Chairman of G8 Communications and is an experienced company director having served on the board of numerous public and private companies in Australia, South Africa and United Kingdom. He is a Fellow of the Australian Institute of Management (FAIM) and is a Member of the Australian Institute of Company Directors (MAICD). He has also facilitated many joint venture opportunities in both property, tech and mining sectors. Mr Ferris holds 1,000,000 shares in the Company as at the date of this report. During the past three years, Mr Ferris has served as a Director for the following other listed companies: • Diploma Group Limited – appointed 30 March 2015. • G8 Communications Limited (formerly Leopard Resources Limited) – appointed 28 April 2015.
Lee Christensen *Non-Executive Director and Chairman*	Mr Christensen was appointed as a Director of the Company on 16 April 2015. Mr Christensen is a lawyer and senior partner at Gadens Perth, specialising in dispute resolution, insolvency and restructures. He has many years of commercial litigation and insolvency law experience having acted in major insolvencies ranging from Rothwells, Bond Corporation, Bell Group to Great Southern and Griffin Coal. His in-depth understanding and proven application of Insolvency issues sees him regularly advising external administrators, trustees, creditors and bankrupts on all of its ramifications. Mr Christensen holds 3,660,000 shares in the Company as at the date of this report. During the past three years, Mr Christensen has not served as a Director of any other listed company.

Windimurra Vanadium Limited
Directors' report
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1. **Name, qualifications and independence status**	**Directors (continued)** **Experience, special responsibilities and other directorships**
Graham Chapman *Non-Executive Director*	Mr Chapman was appointed as a Director of the Company on 21 January 2015. Mr Chapman, a geologist by profession, has over 35 years' experience in mining and has lived and worked in a number of countries, including South Africa, Indonesia, Australia, Russia, Colombia and India. He was Vice President Strategy in the newly formed BHP Billiton. From 2002 to 2011 he formed and led an energy-focussed consulting company based in UK, and was Vice Chairman of the UN ECE Coal Group of Experts Committee in 2008. He holds an MBA, B.Sc (Hons) and is a Fellow of the Geological Society, London. Mr Chapman holds no shares in the Company as at the date of this report. During the past three years, Mr Chapman has served as a Director for the following other listed companies: • G8 Communications Limited (formerly Leopard Resources Limited) – resigned 18 January 2016.
Ryan Rockwood *Non-Executive Director*	Mr Rockwood was appointed as a Director of the Company on 21 January 2015 and resigned on 24 November 2015. Mr Rockwood is an experienced mining sector professional and currently serves as an executive and founding director of ASX listed Lemur Resources Limited. Pre-2007, he spent many years in operations management for the leading miners, including BHP Billiton and Rio Tinto. His international experience includes living and working in the UK, USA, Australia, South Africa and South East Asia. Mr Rockwood holds a First Class Degree in Engineering and a First Class Masters in Manufacturing and Management in 1999 both from the University of Cambridge. Ryan is a Sri Lankan national. Mr Rockwood holds no shares in the Company as at the date of this report. During the past three years, Mr Rockwood has served as a Director for the following other listed companies: • Lemur Resources Limited– appointed on 10 February 2011.

2. Company Secretary
Ms Nicki Farley was appointed to the position of company secretary on 7 November 2012. Ms Farley holds a Bachelor of Laws and Arts from the University of Western Australia and has over 10 years of experience working within the corporate advisory area providing advice in relation to capital raisings, corporate and securities laws, mergers and acquisitions and general commercial transactions. Ms Farley has also held a number of company secretarial roles for ASX listed companies.

3. Directors' meetings
The number of meetings of the Company's Directors held during the year ended 30 June 2016, whilst each director was in office, and the number of meetings attended by each Director, were:

Director	*Board of Directors' Meetings*	
	No. eligible to attend	*No. attended*
James Searle[1]	-	-
Jason Ferris	1	1
Lee Christensen	1	1
Graham Chapman	1	1
Ryan Rockwood[2]	1	1

[1] James Searle was appointed as a Director on the 2nd of March 2016.

[2] Ryan Rockwood resigned on the 24th of November 2015.

The Board of Directors also approved four (4) circular resolutions during the year ended 30 June 2016 which were signed by all Directors of the Company.

Windimurra Vanadium Limited
Directors' report (continued)
For the year ended 30 June 2016

4. Principal activities
During the year, the Company's principal activities are mineral exploration. In addition, the Company was in the process of acquiring a second project located in Sri Lanka.

5. Operating and financial review
The net loss of the Company for the financial year ended 30 June 2016 amounted to $1,025,993 (2015: loss $275,279). The current year loss is mainly attributable to increased exploration and geology costs and impairment of the Company's tenement M58/272. The prior year loss was mainly attributable to the due diligence costs incurred on the Sri Lankan projects and consultancy fees during the year.

The net asset of the Company for the financial year ended 30 June 2016 amount to $320,672 (2015: net assets $1,166,665).

History, Review of Operations and Subsequent Events
Windimurra Project

The Company has a 100% interest in the Western Australian mining lease M58/272 (**Windimurra Tenement**) located in the Murchison Goldfield in Western Australia which was granted on 22 May 2014. Subsequent to the 30 June 2016 and following a review of the Windimurra Tenement, the board resolved to surrender the tenement.

Sri Lankan Mineral Sands Project

During the year ending 30 June 2016, 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.

Hand and power auger drilling undertaken in November and December at Mannar by the project vendor Srinel Holdings Ltd demonstrated that heavy mineral concentrations extend inland from the inferred mineral resource previously reported[1]. Analysis of these results and land form analysis by the Company has defined a much expanded and prospective target corridor of $42km^2$ extending across Mannar Island and linking two areas of high grade ilmenite and leucoxene mineralisation.

Subsequent to the 30 June 2016, the Company reported on the 12 September drilling undertaken in the prospective corridor by the project vendor Srinel. Hand auger drilling of 818 holes in the corridor found visual indications of heavy mineral concentrations over an area in excess of $20km^2$. Srinel will continue drilling until it has completed a first pass auger drilling coverage on the prospective corridor on a line spacing of 800m and drill holes separations of 50 to 100m. Samples from the drilling will be consigned for laboratory analysis after the conclusion of the program.

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[1] *An initial JORC inferred mineral resource of 10.3 Mt with total heavy mineral (THM) of 11.7% was reported in full 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 early 2015. The drilling and the defined resource envelope was largely confined to within 150m of the Mannar Island shoreline. The Company confirms that this resource statement remains current in regards to the areas covered by the drilling used in the resource model.*

Except where indicated, exploration results 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 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.

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Directors' report (continued)
For the year ended 30 June 2016

History, Review of Operations and Subsequent Events (continued)
Sri Lankan Project – Option Agreement (continued)

On the 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.

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 of 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 were used to provide additional working capital.

Board Changes

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

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.

Windimurra Vanadium Limited
Directors' report (continued)
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6. Corporate governance statement

The Board is responsible for establishing the Company's corporate governance framework, the key features of which are set out below. In establishing its corporate governance framework, the Board has referred to the 3rd edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations.

In accordance with ASX Listing Rule 1.1 Condition 13, the corporate governance statement discloses the extent to which the Company follows the recommendations. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at www.windimurravanadium.com.au, under the section marked "Corporate Governance":

(a) Board Charter;
(b) Board Performance Evaluation Policy;
(c) Code of Conduct;
(d) Audit Committee Charter;
(e) Remuneration and Nomination Committee Charter;
(f) Security Trading Policy;
(g) Continuous Disclosure Policy;
(h) Shareholder Communication and Investor Relations Policy;
(i) Risk Committee Charter;
(j) Risk Management Policy; and
(k) Diversity Policy.

Principle 1: Lay solid foundations for management and oversight
Recommendation 1.1
The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management, and has documented this in its Board Charter.
The responsibilities of the Board include but are not limited to:

(a) setting and reviewing strategic direction and planning;
(b) reviewing financial and operational performance;
(c) identifying principal risks and reviewing risk management strategies; and
(d) considering and reviewing significant capital investments and material transactions.

In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, shareholders, co-ventures, the government and the community.
The Board has delegated responsibility for the business operations of the Company to the Chief Executive Officer and the management team. The management team, led by the Chief Executive Officer is accountable to the Board.

Recommendation 1.2
The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect a director.

The checks which are undertaken, and the information provided to shareholders, are set out in the Company's Remuneration and Nomination Committee Charter.

Recommendation 1.3
The Company has a written agreement with each of the Directors and the Incoming Directors and senior executives setting out the terms of their appointment. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Chief Executive Officer, any of its directors, and any other person or entity who is a related party of the Chief Executive Officer or any of its directors will be disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

6. Corporate governance statement (continued)

Recommendation 1.4

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for the application of best practice in corporate governance and also supports the effectiveness of the Board by:

(a) ensuring a good flow of information between the Board, its committees, and Directors;
(b) monitoring policies and procedures of the Board;
(c) advising the Board through the Chairman of corporate governance policies; and
(d) conducting and reporting matters of the Board, including the despatch of Board agendas, briefing papers and minutes.

Recommendation 1.5

The Company has a Diversity Policy, the purpose of which is:

(a) to outline the Company's commitment to creating a corporate culture that embraces diversity and, in particular, focuses on the composition of its Board and senior management; and
(b) to provide a process for the Board to determine measurable objectives and procedures which the Company will implement and report against to achieve its diversity goals.

The Board intends to set measurable objectives for achieving diversity, specifically including gender diversity and will review and report on the effectiveness and relevance of these measurable objectives. However, due to the current size of the Board and management, these measurable objectives have not yet been set.

Recommendation 1.6

The Chief Executive Officer will be responsible for evaluating the performance of the Company's senior executives in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board. The Chair will be responsible for evaluating the performance of the Company's Chief Executive Officer in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board. During the reporting period, an evaluation of the Chief Executive Officer and senior executives has taken place in accordance with the Company's policy.

Recommendation 1.7

The Chair will be responsible for evaluating the performance of the Board, Board committees and individual directors in accordance with the process disclosed in the Company's Board performance evaluation policy.
This policy is to ensure:

(a) individual Directors and the Board as a whole work efficiently and effectively in achieving their functions;
(b) the executive Directors and key executives execute the Company's strategy through the efficient and effective implementation of the business objectives; and
(c) committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in the board charter.
(d) This policy will be reviewed annually.

During the reporting period, an evaluation of the Board, its committees and individual directors has taken place in accordance with the Company's policy.

Principle 2: Structure the board to add value

Recommendation 2.1

Due to the size of the Board, the Company does not have a separate nomination committee. The roles and responsibilities of a nomination committee are currently undertaken by the Board.

The duties of the full Board in its capacity as a nomination committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website.

When the Board meets as a remuneration and nomination committee is carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration and Nomination Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of a Nomination Committee and is disclosed on the Company's website.

Windimurra Vanadium Limited
Directors' report (continued)
For the year ended 30 June 2016

6. Corporate governance statement (continued)

Recommendation 2.2
The mix of skills and diversity which the Board is looking to achieve in its composition is:
(a) a broad range of business experience; and
(b) technical expertise and skills required to discharge duties.

Recommendation 2.3
The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles and Recommendations. Currently the Board is structured as follows:
(a) Dr James Seale (Managing Director)
(b) Mr Lee Christensen (Chairman);
(c) Mr Jason Ferris (Director); and
(d) Mr Graham Chapman (Director).

Mr Ferris was appointed to the Board on 31 July 2014. Mr Chapman was appointed on 21 January 2015 and Mr Christensen was appointed as Chairman of the Board on 16 April 2015. Dr Searle was subsequently appointed to the Board as Managing Director on 2 March 2016. Dr Searle is not considered to be an independent director due to his executive role within the Company. In addition, Mr Ferris is also considered not independent due to his association with Cuprum Holdings Limited (and associated entities) with which the Company has a material contractual relationship. Mr Christensen is considered an independent director of the Company.

Recommendation 2.4
Given the size and nature of the Company, the Board considers the composition of the Board is appropriate at this stage. Accordingly, the Board does not have a majority of independent directors.

Recommendation 2.5
Mr Christensen is an independent Chairman of the Board.

Recommendation 2.6
It is a policy of the Company, that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

Principle 3: Act ethically and responsibly
Recommendation 3.1
The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company has established a Code of Conduct (Code), which addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. It may be amended from time to time by the Board, and is disclosed on the Company's website.

The Code applies to all Directors, employees, contractors and officers of the Company. The Code will be formally reviewed by the Board each year.

Principle 4: Safeguard integrity in corporate reporting
Recommendation 4.1
Due to the size of the Board, the Company does not have a separate Audit Committee. The roles and responsibilities of an audit committee are undertaken by the Board.

The full Board in its capacity as the audit committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The duties of the full Board in its capacity as the audit committee are set out in the Company's Audit Committee Charter which is available on the Company's website.

When the Board meets as an audit committee is carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required.

6. Corporate governance statement (continued)

Principle 4: Safeguard integrity in corporate reporting (continued)

Recommendation 4.1 (continued)

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee and is disclosed on the Company's website.

Recommendation 4.2

Before the Board approves the Company financial statements for each financial period it will receive from the Chief Executive Officer and the Chief Financial Officer or equivalent a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3

Under section 250RA of the Corporations Act, the Company's auditor is required to attend the Company's annual general meeting at which the audit report is considered, and does not arrange to be represented by a person who is a suitably qualified member of the audit team that conducted the audit and is in a position to answer questions about the audit. Each year, the Company will write to the Company's auditor to inform them of the date of the Company's annual general meeting. In accordance with section 250S of the Corporations Act, at the Company's annual general meeting where the Company's auditor or their representative is at the meeting, the Chair will allow a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant to the conduct of the audit; the preparation and content of the auditor's report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit. The Chair will also allow a reasonable opportunity for the auditor (or their representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1

The Company is committed to:

(a) ensuring that shareholders and the market are provided with full and timely information about its activities;
(b) complying with the continuous disclosure obligations contained in the Listing Rules and the applicable sections of the Corporations Act; and
(c) providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner.

The Company has adopted a Disclosure Policy, which is disclosed on the Company's website. The Disclosure Policy sets out policies and procedures for the Company's compliance with its continuous disclosure obligations under the ASX Listing Rules, and addresses financial markets communication, media contact and continuous disclosure issues. It forms part of the Company's corporate policies and procedures and is available to all staff.

The Company Secretary manages the policy. The policy will develop over time as best practice and regulations change and the Company Secretary will be responsible for communicating any amendments. This policy will be reviewed by the Board annually.

Principle 6: Respect the rights of security holders

Recommendation 6.1

The Company provides information about itself and its governance to investors via its website at www.windimurravanadium.com.au. The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by ASX, the following will be posted to the Company website:

(a) relevant announcements made to the market via ASX;
(b) media releases;
(c) investment updates;
(d) Company presentations and media briefings;
(e) copies of press releases and announcements for the preceding three years; and

(f) copies of annual and half yearly reports including financial statements for the preceding three years.

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Directors' report (continued)
For the year ended 30 June 2016

6. Corporate governance statement (continued)

Recommendation 6.2

The Company has a Shareholder Communication and Investor Relations Policy which aims to ensure that Shareholders are informed of all major developments of the Company. The policy is disclosed on the Company's website.

Information is communicated to Shareholders via:

(a) reports to Shareholders;
(b) ASX announcements;
(c) annual general meetings; and
(d) the Company website.

This Shareholder Communication and Investor Relations policy will be formally reviewed by the Board each year. While the Company aims to provide sufficient information to Shareholders about the Company and its activities, it understands that Shareholders may have specific questions and require additional information. To ensure that Shareholders can obtain all relevant information to assist them in exercising their rights as Shareholders, the Company has made available a telephone number and relevant contact details (via the website) for Shareholders to make their enquiries.

Recommendation 6.3

The Board encourages full participation of Shareholders at meetings to ensure a high level of accountability and identification with the Company's strategies and goals. However, due to the size and nature of the Company, the Board does not consider a policy outlining the policies and processes that it has in place to facilitate and encourage participating at meetings of shareholders to be appropriate at this stage.

Recommendation 6.4

Shareholders are given the option to receive communications from, and send communication to, the Company and its share registry electronically. To ensure that shareholders can obtain all relevant information to assist them in exercising their rights as shareholders, the Company has made available a telephone number and relevant contact details (via the website) for shareholders to make their enquiries.

Principle 7: Recognise and manage risk

Recommendation 7.1

Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework.

When the Board meets as a risk committee is carries out those functions which are delegated to it in the Company's Risk Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Risk Committee Charter which describes the role, composition, functions and responsibilities of the Risk Committee and is disclosed on the Company's website.

The Board has adopted a Risk Management Policy, which is disclosed on the Company's website. Under the policy, responsibility and control of risk management is delegated to the appropriate level of management within the Company with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and control framework.

The risk management system covers:

(a) operational risk;
(b) financial reporting;
(c) compliance / regulations; and
(d) system / IT process risk.

A risk management model is to be developed and will provide a framework for systematically understanding and identifying the types of business risks threatening the Company as a whole, or specific business activities within the Company.

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Directors' report (continued)
For the year ended 30 June 2016

6. Corporate governance statement (continued)

Recommendation 7.2

The Board will review the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board.

Arrangements put in place by the Board to monitor risk management include, but are not limited to:
(a) monthly reporting to the Board in respect of operations and the financial position of the Company; and
(b) quarterly rolling forecasts prepared.

Recommendation 7.3

The Company does not have, and does not intend to establish, an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy.

Recommendation 7.4

Given the speculative nature of the Company's business, it is subject to general risks and certain specific risks as outlined in the Company's Prospectus. The Company has identified those economic, environmental and/or social sustainability risks to which it has a material exposure, and disclosed how it intends to manage those risks.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1

Due to the size of the Board, the Company does not have a separate remuneration committee. The roles and responsibilities of a remuneration committee are currently undertaken by the Board. The duties of the full board in its capacity as a remuneration committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website.

When the Board meets as a remuneration committee is carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed on the Company's website.

Recommendation 8.2

Details of the Company's policies on remuneration will be set out in the Company's "Remuneration Report" in each Annual Report published by the Company. This disclosure will include a summary of the Company's policies regarding the deferral of performance-based remuneration and the reduction, cancellation or claw-back of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.

Recommendation 8.3

The Company does not currently have an equity-based remuneration scheme.

Security Trading Policy

In accordance with ASX Listing Rule 12.9, the Company has adopted a trading policy which sets out the following information:
(a) closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;
(b) trading in the Company's securities which is not subject to the Company's trading policy; and
(c) the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Security Trading Policy is available on the Company's website.

Windimurra Vanadium Limited
Directors' report (continued)
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7 Remuneration report (audited)

7.1 Principles of compensation – audited

This report outlines the remuneration arrangements in place for directors of Windimurra Vanadium Limited in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purpose of this annual financial report, Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly.

Details of Key Management Personnel during the year ended 30 June 2016

James Searle (appointed 2 March 2016)
Jason Ferris
Lee Christensen
Graham Chapman
Ryan Rockwood (resigned 24 November 2015)

Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Company does not link the nature and amount of the emoluments of such officers to the Company's financial or operational performance. The expected outcome of this remuneration structure is to retain and motivate Directors.

7.2 Relationship between the Remuneration Policy and Company Performance

	30 June 2016	30 June 2015	30 June 2014	30 June 2013	30 June 2012
	$	$	$	$	$
Revenue	-	-	-	-	3,585
Basic loss per share (cents)	(0.20)	(0.07)	(0.70)	(1.73)	(0.05)
Diluted loss per share (cents)	(0.20)	(0.07)	(0.70)	(1.73)	(0.05)

7.3 Directors' and executive officers' remuneration - audited

In January 2013, the Board approved the remuneration of directors; being $5,000 per month for the Chairman and $4,000 per month for each other Director for their services, commencing from 1 January 2014.

Details of the nature and amount of each major element of the remuneration for the year ended 30 June 2016 and 30 June 2015 of each director of the Company receiving the highest remuneration and other key management personnel are:

	Short-term			Post employment benefits	Share-based payments		Proportion of remuneration
2016	**Salary & fees**	**Bonus**	**Other**	**Superannuation**	**Options**	**Total**	**performance related**
Directors	**$**	**$**	**$**	**$**	**$**	**$**	**%**
Executive directors							
Dr James Searle[1]	19,600	-	-	-	-	**19,600**	-
Non-executive directors							
Mr Jason Ferris[2]	48,000	-	-	-	-	**48,000**	-
Mr Lee Christensen	60,000	-	-	-	-	**60,000**	-
Mr Graham Chapman[3]	28,000	-	-	-	-	**28,000**	-
Mr Ryan Rockwood[4]	19,200	-	-	-	-	**19,200**	-
Total	**174,800**	**-**	**-**	**-**	**-**	**174,800**	**-**

[1] Dr Searle's director fees are paid to Earthsciences Pty Ltd, of which Dr Searle is a Director. Dr James was appointed during the year.
[2] Mr Ferris' director fees are paid to J2J Investments Pty Ltd, of which Mr Ferris is a Director.
[3] Mr Chapman's director fees are paid to Badger Resources Limited, of which Mr Chapman is a Director.
[4] Mr Rockwood's director fees are paid directly to Mr Rockwood. Mr Rockwood resigned on 24 November 2015.

Windimurra Vanadium Limited
Directors' report (continued)
For the year ended 30 June 2016

7.3 Directors' and executive officers' remuneration (continued)

	Short-term			Post employment benefits	Share-based payments		Proportion of remuneration
2015	**Salary & fees**	**Bonus**	**Other**	**Superannuation**	**Options**	**Total**	**performance related**
Directors	**$**	**$**	**$**	**$**	**$**	**$**	**%**
Non-executive directors							
Mr Jason Ferris[2]	44,000	-	-	-	-	**44,000**	-
Mr Paul Price	47,500	-	-	-	-	**47,500**	-
Mr KC Ong	26,838	-	-	-	-	**26,838**	-
Ms Paula Cowan	4,000	-	-	-	-	**4,000**	-
Mr Graham Chapman	21,290	-	-	-	-	**21,290**	-
Mr Lee Christensen	12,500	-	-	-	-	**12,500**	-
Mr Ryan Rockwood	21,290	-	-	-	-	**21,290**	-
Total	**177,418**	**-**	**-**	**-**	**-**	**177,418**	**-**

7.3.1 Loans to Directors
There were no loans to directors during the financial year ending 30 June 2016 (2015: $nil)

7.3.2 Other Transactions with Key Management Personnel
A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the Company in the reporting period. These are as follows on the following page.

Consultancy services:
Jason Ferris is a Director of J2J Investments Pty Ltd ("J2J"), which provided the Company with consultancy services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount incurred for the year ended 30 June 2016 was $72,000 (2015: $36,000). As at 30 June 2016, the amount payable to J2J is $30,000 (2015: $6,000).

Dr James Searle is a Director of Earthsciences Pty Ltd ("Earthsciences"), which provided the Company with consultancy services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount incurred for the year ended 30 June 2016 was $40,755 (2015: $nil). As at 30 June 2016, the amount payable to Earthsciences is $17,300 (2015: $nil).

Windimurra Vanadium Limited
Directors' report (continued)
For the year ended 30 June 2016

7.3.3 Directors' interests in shares

Fully paid ordinary shares issued by Windimurra Vanadium Limited to Key Management Personnel during the year and as at 30 June 2016 are as follows:

2016	Balance at 1 July 2015	Allotment of Shares	Net other changes	Balance at 30 June 2016
DIRECTORS				
Mr Jason Ferris	1,000,000	-	-	1,000,000
Dr James Searle[1]	-	-	1,500,000[1]	1,500,000
Mr Lee Christensen	3,660,000	-	-	3,660,000
Mr Graham Chapman	-	-	-	-
Mr Ryan Rockwood	-	-	-	-
	4,660,000	**-**	**1,500,000**	**6,160,000**

[1] Dr Searle was appointed during the financial year ended 30 June 2016

2015	Balance at 1 July 2014	Allotment of Shares	Net other changes	Balance at 30 June 2015
DIRECTORS				
Mr Paul price[2]	20,000,000	-	(20,000,000)[2]	-
Mr KC Ong	-	-	-	-
Ms Paula Cowan	-	-	-	-
Mr Jason Ferris	-	-	1,000,000	1,000,000
Mr Lee Christensen	-	-	3,660,000	3,660,000
Mr Graham Chapman	-	-	-	-
Mr Ryan Rockwood	-	-	-	-
	20,000,000	**-**	**(15,340,000)**	**4,660,000**

[2] Mr Price resigned during the financial year ended 30 June 2015

At the date of this report, there were no unissued ordinary shares of the Company.

7.3.4 Share options

No options were granted during or since the end of the financial year.

7.3.5 Analysis of bonuses included in remuneration

There were no short term cash bonuses paid during the reporting period.

7.3.6 Options over equity instruments granted as compensation

There were no options over ordinary shares in the Company granted as compensation to key management personnel during the reporting period. No options were granted since the end of the financial year.

This is the end of the Audited Remuneration Report.

Windimurra Vanadium Limited
Directors' report (continued)
For the year ended 30 June 2016

8. Dividends
No dividends have been paid or declared by the Company to members during the 2016 or 2015 financial years.

9. Going Concern
For the year ended 30 June 2016 the company recorded a loss of $1,025,993 (2015: $275,279) and experienced net cash outflows from operating and investing activities of $236,230 (2015:$1,370,106). At 30 June 2016, the company had total current liabilities of $377,859 (2015: $74,150) and cash of $8,253 (2015: $64,483).

The ability of the company to continue as a going concern is dependent upon the future successful raising of necessary funding through debt or equity and the continued support of its creditors and shareholders.

These conditions indicate a material uncertainty that may cast a significant doubt about the company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe that the Company will continue as a going concern and be able to pay its debts as and when they fall due.

The financial statements have been prepared on the basis that the company is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The company believe they can raise additional funding through debt or equity which is actively being pursued
- The majority of creditors have provided confirmation that they will extend payment terms until such time as the company has the ability to pay.
- Remaining creditors are in discussion for repayment extensions and expected to be settled upon funding through a debt or equity event.
- The company is also currently discussing with the company's corporate advisors and largest shareholder in relation to raising additional funding

Should the company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the company not continue as a going concern.

11. Future developments
The Company is proceeding with its acquisition of Srinel and is working towards finalising its notice of meeting to obtain the required shareholder approvals to complete the acquisition. The Company has been advised by ASX that it is required to re-comply with Chapters 1 and 2 of the Listing Rules as if it were applying for admission to the Official List of the ASX.

12. Indemnification and insurance of officers and auditors
Indemnification
The Company has agreed subject to and so far as may be permitted by the Corporations Act 2001 to indemnify each current director and officer at the date of the report against all liabilities that may arise from their position as directors and officers of the Company. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses. No indemnification has been paid with respect to the Company's auditors.

13. Non-audit services
Details of the amounts paid to the auditor of the Company, BDO, and its related practices for audit services provided during the year are set out in note 24.

The Board of Directors is satisfied that the provision of non-audit services complies with the independence for auditors imposed under the Corporations Act 2001.

14. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 44 and forms part of the directors' report for financial year ended 30 June 2016.

This report is made with a resolution of the directors:

Jason Ferris, Director
Dated at Perth this 30th day of September 2016

Windimurra Vanadium Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2016

	Note	2016 $	2015 $
Administrative expenses	7	(305,153)	(320,470)
Exploration, evaluation and geological consultancy fees	9	(141,812)	(97,471)
Director fees	20	(174,800)	(177,418)
Impairment expense	12	(300,000)	-
Other Expenses	6	(103,806)	-
Loss before financing expenses		**(1,025,571)**	**(595,359)**
Financial income	8	323	320,751
Financial expenses	8	(745)	(671)
Net financing income		**(422)**	**320,080**
Loss before tax		**(1,025,993)**	**(275,279)**
Income tax expense	11	-	-
Loss for the year after income tax		**(1,025,993)**	**(275,279)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(1,025,993)**	**(275,279)**
Loss per share			
Basic and diluted loss per share (cents)	16	(0.20)	(0.07)

The above Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

Windimurra Vanadium Limited
Statement of Financial Position
For the year ended 30 June 2016

	Note	2016 $	2015 $
Current assets			
Cash and cash equivalents	*13*	8,253	64,483
Trade and other receivables	*14*	26,129	158,377
Total current assets		**34,382**	**222,860**
Non-current assets			
Investment in Srinel Projects	*6*	599,149	652,955
Loan receivable	*10*	65,000	65,000
Exploration and evaluation	*12*	-	300,000
Total non-current assets		**664,149**	**1,017,955**
Total assets		**698,531**	**1,240,815**
Current liabilities			
Trade and other payables	*15*	(377,859)	(74,150)
Total current liabilities		**(377,859)**	**(74,150)**
Total liabilities		**(377,859)**	**(74,150)**
Net assets		**320,672**	**1,166,665**
Equity			
Issued capital	*17*	3,259,868	3,079,868
Accumulated losses		(2,939,196)	(1,913,203)
Total equity		**320,672**	**1,166,665**

The above Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

Windimurra Vanadium Limited
Statement of Changes in Equity
For the year ended 30 June 2016

	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**
Total other Comprehensive loss	-	-	(275,279)	**(275,279)**
Transactions with owners:				
Shares issued (net of share issue cost)	341,513	-	-	**341,513**
Convertible note reserve		(310,509)		**(310,509)**
Balance at 30 June 2015	**3,079,868**	**-**	**(1,913,203)**	**1,166,665**
Balance at 1 July 2015	**3,079,868**	**-**	**(1,913,203)**	**1,166,665**
Total other Comprehensive loss	-	-	(1,025,993)	**(1,025,993)**
Transactions with owners:				
Shares issued (net of share issue cost)	180,000	-	-	**180,000**
Balance at 30 June 2016	**3,259,868**	**-**	**(2,939,196)**	**320,672**

The above Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

Windimurra Vanadium Limited
Statement of Cash Flows
For the year ended 30 June 2016

	Note	2016 $	2015 $
Cash flows from operating activities			
Cash paid to suppliers and administrators		(125,045)	(1,219,477)
Interest received		2,238	13,883
Interest paid		(745)	(671)
Exploration and evaluation outflows		(62,678)	(98,841)
Net cash used in operating activities	*19*	**(186,230)**	**(1,305,106)**
Cash flows from investing activities			
Loans to other entities		-	(65,000)
Payment for other assets		(50,000)	-
Net cash used in investing activities		**(50,000)**	**(65,000)**
Cash flows from financing activities			
Proceeds from shares issued		180,000	-
Proceeds from/(repayment of) convertible notes		-	(250,000)
Proceeds from/(repayment of) borrowings		-	(310,000)
Net cash from/(used in) financing activities		**180,000**	**(560,000)**
Net increase in cash and cash equivalents		(56,230)	(1,930,106)
Opening cash and cash equivalents at 1 July		64,483	1,994,589
Closing cash and cash equivalents	*13*	**8,253**	**64,483**

The above Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

Windimurra Vanadium Limited
Notes to the financial statements
For the year ended 30 June 2016

1. Reporting entity

This annual financial report includes the financial statements and notes of Windimurra Vanadium Limited ("the Company"). The Company is a for-profit entity primarily involved in exploration of mineral reserves and is domiciled in Australia. Its registered address is Level 24, 44 St George's Terrace, Perth, Western Australia.

2. Basis of preparation

(a) Statement of compliance

The annual financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Interpretations) adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The annual financial report complies with International financial Reporting Standards as adopted by the International Accounting Standards Board. The annual financial report was authorised for issue by the directors on 30 September 2016.

(b) Basis of measurement

The annual financial report has been prepared on the historical cost basis. The methods used to measure fair values are discussed further in note 4.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Going concern

For the year ended 30 June 2016 the company recorded a loss of $1,025,993 (2015: $275,279) and experienced net cash outflows from operating and investing activities of $236,230 (2015:$1,370,106). At 30 June 2016, the company had total current liabilities of $377,859 (2015: $74,150) and cash of $8,253 (2015: $64,483).

The ability of the company to continue as a going concern is dependent upon the future successful raising of necessary funding through debt or equity and the continued support of its creditors and shareholders.

These conditions indicate a material uncertainty that may cast a significant doubt about the company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe that the Company will continue as a going concern and be able to pay it's debts as and when they fall due.

The financial statements have been prepared on the basis that the company is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The company believe they can raise additional funding through debt or equity which is actively being pursued
- The majority of creditors have provided confirmation that they will extend payment terms until such time as the company has the ability to pay.
- Remaining creditors are in discussion for repayment extensions and expected to be settled upon funding through a debt or equity event.
- The company is also currently discussing with the company's corporate advisors and largest shareholder in relation to raising additional funding

Should the company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the company not continue as a going concern.

Windimurra Vanadium Limited
Notes to the financial statements (continued)
For the year ended 30 June 2016

3. Significant accounting policies

The accounting policies of the Company are consistent with prior period. New standards applicable from 1 July 2015 have had no material effect on the Company.

(a) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled. Cash and cash equivalents comprise cash balances and call deposits. Accounting for finance income and expense is discussed in note 3(f).

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the financial year but not distributed at balance date.

Derivative financial instruments

Derivatives are recognised initially at fair value; any directly attributable costs are recognised in profit or loss as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in profit or loss.

Compound financial instruments

Compound financial instruments issued by the Company comprise convertible notes that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion, the financial liability is reclassified to equity and no gain or loss is recognised.

(b) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense and spread over the lease term.

Windimurra Vanadium Limited
Notes to the financial statements (continued)
For the year ended 30 June 2016

3. Significant accounting policies (continued)
(c) Exploration and evaluation assets

Exploration and evaluation costs, comprising net direct costs (including the costs of acquiring licences) and an appropriate portion of related overhead expenditure directly attributable to the exploration property, relating to current areas of interest are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore an area are recognised in Statement of Profit or Loss and comprehensive income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

(i) the exploration and evaluation costs are expected to be recouped through successful development and exploitation of the area of interest; or

(ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or other wise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if one or more of the following facts and circumstances arise:

(i) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

(ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

(iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and

(iv) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

In any such case, or similar cases, the entity shall perform an impairment test in accordance with AASB 136. Any impairment loss is recognised as an expense in accordance with AASB 136.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.
Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets.
In the event that an area of interest is abandoned, accumulated costs carried forward are written off to the income statement in the year in which that assessment is made. Expenditure is not carried forward in respect of any area of interest, unless the Company's right of tenure to that area of interest is current.

(d) Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Windimurra Vanadium Limited
Notes to the financial statements (continued)
For the year ended 30 June 2016

3. Significant accounting policies (continued)
(d) Impairment (continued)

Financial assets are tested for impairment on an individual basis.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(e) Provisions

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(f) Finance income and expenses

Finance income comprises interest income on funds invested, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss and foreign currency gains that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets, that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

(g) Income tax

Income tax on the Statement of Profit or Loss and Other Comprehensive Income for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Windimurra Vanadium Limited
Notes to the financial statements (continued)
For the year ended 30 June 2016

3. Significant accounting policies (continued)
(g) Income tax (continued)

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(h) Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

(i) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(j) New standards and interpretations not yet adopted

There has been no new and amended accounting standards adopted by the Group for the first time for the financial year beginning 1 July 2015 or any prior periods.

AASB 2014-3 - Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations

This Standard amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business.

Application date - Financial years beginning on or after 1 January 2016
Expected Impact - No expected impact

AASB 2014-4 - Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation

This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset, and to clarify that revenue is generally presumed to be an inappropriate basis for that purpose.

Application date - Financial years beginning on or after 1 January 2016
Expected Impact - No expected impact

Windimurra Vanadium Limited
Notes to the financial statements (continued)
For the year ended 30 June 2016

(j) New standards and interpretations not yet adopted (continued)

AASB 2014-9 - Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements
This amending standard allows entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.

Application date - Financial years beginning on or after 1 January 2016
Expected Impact - No expected impact

AASB 2014-10 - Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
This amending standard requires a full gain or loss to be recognised when a transaction involves a business (even if the business is not housed in a subsidiary), and a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business (even if those assets are housed in a subsidiary).

Application date - Financial years beginning on or after 1 January 2016
Expected Impact - No expected impact

AASB 2015-1- Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle
The Standard makes amendments to various Australian Accounting Standards arising from the IASB's Annual Improvements process, and editorial corrections.

Application date - Financial years beginning on or after 1 January 2016
Expected Impact - No expected impact

AASB 2015-2 - Amendments to Australian Accounting Standards –Disclosure Initiative: Amendments to AASB 101
The Standard makes amendments to AASB 101 *Presentation of Financial Statements* arising from the IASB's Disclosure Initiative project.

Application date - Financial years beginning on or after 1 January 2016
Expected Impact - No expected impact

AASB 15 - Revenue from Contracts with Customers
This Standard establishes principles (including disclosure requirements) for reporting useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Application date - Financial years beginning on or after 1 January 2018
Expected Impact - No expected impact

AASB 2016-1 - Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Tax Losses
Clarifies four issues with respect to recognising deferred tax assets (DTAs) for unrealised tax losses:

- If all other recognition criteria are met, DTAs must be recognised for the deductible temporary difference between the fair value and tax base on fixed rate debt instruments that are not deemed to be impaired.
- Deductible temporary differences must be compared to taxable profits of the same type (e.g. capital or revenue profits) to determine whether there are sufficient taxable profits against which the deductible temporary differences can be utilised.
- When comparing deductible temporary differences against the amount of future taxable profits, the calculation of future taxable profits must exclude tax deductions resulting from the reversal of those deductible temporary differences.

Windimurra Vanadium Limited
Notes to the financial statements (continued)
For the year ended 30 June 2016

(j) New standards and interpretations not yet adopted (continued)

AASB 2016-1 - Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Tax Losses (continued)

- The estimate of future taxable profits can include recovery of certain assets at amounts more than their carrying amount if there is enough evidence that it is probable that the entity will recover the asset for more than its carrying amount. Examples would include:
  - Property measured using cost model for which an external valuation has been conducted
  - Fixed rate debt instruments held to maturity.

Application date - Financial years beginning on or after 1 January 2017
Expected Impact - No expected impact

AASB 2016-3 - Amendments to Australian Accounting Standards – Clarifications to AASB 15

Clarifies AASB 15 application issues relating to:
- Identifying performance obligations
- Principal vs. agent considerations
- Licensing
- Practical expedients

Application date - Financial years beginning on or after 1 January 2018
Expected Impact - No expected impact

AASB 9 - Financial Instruments

AASB 9 (December 2014) is a new standard which Replaces AASB 139. This new version supersedes AASB issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting.

AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments.

Application date - Financial years beginning on or after 1 January 2018
Expected Impact - No expected impact

AASB 16 – Leases

AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its balance sheet for most leases.

There are some optional exemptions for leases with a period of 12 months or less and for low value leases.

Lessor accounting remains largely unchanged from AASB 117.

Application date - Financial years beginning on or after 1 January 2019
Expected Impact - No expected impact

Windimurra Vanadium Limited
Notes to the financial statements (continued)
For the year ended 30 June 2016

(j) New standards and interpretations not yet adopted (continued)

IFRS 2 (Amendments) - Classification and Measurement of Share-based Payment Transactions Amendments to IFRS 2

This standard amends to IFRS 2 Share-based Payment, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for:

- The effects of vesting and non-vesting conditions on the measurement of cash settled share-based payments
- Share-based payment transactions with a net settlement feature for withholding tax obligations

A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled

Application date - Financial years beginning on or after 1 January 2018
Expected Impact - No expected impact

(k) Comparative Figures

When received by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

4. Critical accounting estimates and judgement

- Recoverability of Cuprum Loan

The Directors have made an assessment of the recoverability of the loan and believe it to be recoverable on the basis that the Srinel Acquisition will proceed in the near future. Further consideration is also taken into account to determine whether there is objective evidence that the amount is impaired by assessing the underlying assets held by Srinel being the Mannar Island tenements. Based on the progress of the project and the positive commodity prices of Mineral Sands, the Directors are of the opinion that the loan receivable is recoverable at balance date. In the event the acquisition does not proceed and the loan becomes repayable, the Company would seek repayment of the loan in accordance with the Loan Agreement. In the event that the loan becomes payable, the Company has the right in its absolute discretion to require Cuprum to grant security in favour of WVL (see further details of the loan under note 10).

- Recoverability of Other Asset- Srinel Option

The Srinel Option is carried at cost of $559,149 as at 30 June 2016 ($652,955). Srinel option relates to consideration paid to purchase 100% shares in Srinel (see details in note 6). On completion of the acquisition the purchase will be accounted for as an asset acquisition whereby the company is essentially acquiring the Exploration asset being the Mannar Island tenements. Management has made an assessment of the recoverability of the Srinel option which is based on the progress and completion of the acquisition of Srinel Holdings Limited . The Directors expect to complete the acquisition in the next 12 months. Other factors are also considered to determine whether there are other objective evidence to suggest that the Manner Island tenements are impaired. Given the progress of the Mannar Island project to date and the positive commodity prices of Mineral Sands, the Directors are of the opinion that the Srinel Option is recoverable at balance date.

- Recoverability of Tenement M58/272

On 1 September 2016, the Company announced that the Board had resolved to surrender the tenement M58/272. Management also assessed impairment in accordance with AASB 136. It was determined that due to the surrender of the tenement soon after the financial year end and that no substantive expenditure is budgeted for further exploration and evaluation of the tenement, the asset item has been fully impaired as at 30 June 2016.

Windimurra Vanadium Limited
Notes to the financial statements (continued)
For the year ended 30 June 2016

5. Financial risk management

Overview

The Company has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note presents information about the Company's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this annual financial report. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers as cash and cash equivalent.

Cash and cash equivalents

The Company holds cash and cash equivalents with reputable Australian banks.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company continually monitors its cash flow requirements. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, affect the Company's financial performance or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk arises as a result of the fluctuations in variable interest rates.

Capital management

Capital is defined as the share capital of the Company. The Board 's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company is not subject to externally imposed capital requirements.

Windimurra Vanadium Limited
Notes to the financial statements (continued)
For the year ended 30 June 2016

6. Investment in Srinel Projects

	2016 $	2015 $
Non Current Assets		
Opening balance	652,955	-
Net Movements	(53,806)	652,955
Investment in Srinel Projects balance	**599,149**	**652,955**

In March 2014, the Company entered into an Option Agreement with Cuprum Holdings Limited ("Cuprum") under which Cuprum has granted the Company the sole and exclusive option to acquire 100% of the issued capital of Srinel Holdings Limited ("Srinel"). On 29 December 2014, the 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") to acquire 13 exploration licenses located in Sri Lanka that are prospective for mineral sands ("Acquisition").

On the 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.

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.

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 of prohibit the completion of the Acquisition.

In consideration for the Option, the Company has paid US$500,000 (Option Fee) to Cuprum. On 2 March 2016, an additional option fee of AUD $50,000 was paid. During the year $103,806 was written down to reflect the balance of the investment cost. The option fees form part of the consideration for Cuprum. Accordingly following completion of the acquisition, this value will form part of the cost of the investment in Cuprum. In addition to the additional option fees, it was agreed that the 400 million consideration shares to be issued to Cuprum under the Amended Option Deed be reduced by the number of shares having a value of $60,000 based on the volume weighted average price for the Company's shares of the 5 trading days immediately before the date of the general meeting to approve the Acquisition. The Directors expect to complete the acquisition in the next 12 months.

Windimurra Vanadium Limited
Notes to the financial statements (continued)
For the year ended 30 June 2016

6. Investment in Srinel Projects (continued)

	2016	2015
	$	$
Opening balance	652,955	352,068
Change in value	-	300,887
Additional option fee	50,000	-
Write-down to cost	(103,806)	-
Closing balance	**599,149**	**652,955**

7. Administrative expenses

	2016	2015
	$	$
Legal expenses	46,752	21,820
Accounting and audit expenses	48,958	39,456
Other administrative expenses	209,443	259,194
	305,153	**320,470**

8. Finance income and expense

	2016	2015
	$	$
Interest received from external parties	2,238	13,883
Total finance income	**2,238**	**13,883**
Bank fees	(745)	(671)
Loss on foreign exchange	(1,915)	(1,711)
Unwinding of interest of convertible notes	-	7,692
Change in value of other assets	-	300,887
Total finance income/(expenses)	**(2,660)**	**306,197**
Net finance income/(expenses)	**(422)**	**320,080**

9. Exploration, evaluation and geological consultancy fees

	2016	2015
	$	$
Geological consultancy expenses	55,020	3,525
Mining lease costs	31,519	10,207
Other exploration and evaluation expenses	55,273	83,739
	141,812	**97,471**

10. Loan Receivable

	2016	2015
	$	$
Loan receivable	65,000	65,000
	65,000	**65,000**

In September 2014, the Company entered into a loan agreement with Cuprum Holdings Limited ("Cuprum") and advanced $65,000 to Cuprum. The Loan will become immediately repayable if the Transaction does not proceed for any reason other than the Option Deed being terminated as a result of a breach by the Company. The Loan is interest free. In the event the Loan becomes repayable, the Company may in its absolute discretion require Cuprum to grant Security in favour of the Company.

Windimurra Vanadium Limited
Notes to the financial statements (continued)
For the year ended 30 June 2016

11. Tax

	2016 $	2015 $
a. The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
	-	-
b. the prima facie tax on profit before income tax is reconciled to the income tax as follows		
Loss before income tax	(1,025,993)	(275,279)
Prima facie tax payable on loss before income tax at 30% (2015: 30%)	(307,798)	(82,584)
Tax effect of amounts which are not deductible/(taxable) in calculating taxation income:		
- Non assessable, non-exempt income, non-deductible	144,812	12,356
- -40-880	-	(3,478)
	(163,316)	(73,706)
Net deferred tax asset arising from temporary differences not recognised	163,316	73,706
Income tax expense	-	-

The company has unrecognised tax losses for the year ended 30 June 2016 of $354,829 (2015 $191,513) to which a deferred tax asset has not been recognized as there is no certainty of probable future taxable income to which they can be utilised.

12. Exploration and evaluation assets

	2016 $	2015 $
Current		
Opening balance	300,000	300,000
Impairment	(300,000)	-
Closing balance	**-**	**300,000**

On 1 September 2016, the Company announced that the Board had resolved to surrender the tenement M58/272. Management also assessed impairment in accordance with AASB 136. It was determined that due to the surrender of the tenement soon after the financial year end and that no substantive expenditure is budgeted for further exploration and evaluation of the tenement, the asset item has been fully impaired as at 30 June 2016.

13. Cash and cash equivalents

	2016 $	2015 $
Current		
Bank balances	8,253	64,483
	8,253	**64,483**

14. Trade and other receivables

	2016 $	2015 $
Current		
Prepayment	8,772	6,660
GST receivable	17,357	151,717
	26,129	**158,377**

Windimurra Vanadium Limited
Notes to the financial statements (continued)
For the year ended 30 June 2016

15. Trade and other payables

	2016 $	2015 $
Current		
Trade payables	277,559	32,134
Accrued expenses	100,300	42,016
	377,859	**74,150**

Please refer to Note 20 for Related Party payables

16. Loss per share

Basic and diluted loss per share

The calculation of basic loss per share at 30 June 2016 was based on the loss attributable to ordinary shareholders of $1,025,993 (2015: $275,279) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2016 of 464,495,527 (2015: 421,429,544).

Weighted average number of ordinary shares	2016	2015
Weighted average number of ordinary share at 30 June	**464,495,527**	**421,429,544**

17. Capital and reserves

Share capital

Fully Paid Ordinary Shares	Number	$
On issue at 1 July 2014	399,284,366	2,738,355
Convertible note shares issued[1]	20,000,000	28,441
Convertible note shares issued[2]	29,895,000	310,509
Share issue costs	-	2,563
On issue at 30 June 2015	**449,179,366**	**3,079,868**
On issue at 1 July 2015	449,179,366	3,079,868
Placement shares issued[3]	25,714,289	180,000
Share issue costs	-	-
On issue at 30 June 2016	**474,893,655**	**3,259,868**

1 *On 20 January 2015, the Company issued 20,000,000 shares on the conversion of convertible notes.*

2 *On 20 January 2015, the Company issued 29,895,000 shares on the conversion of the Willis convertible note.*

3 *On 11 February 2016, the Company issued 25,714,289 shares under a Placement raising at $0.007 per share.*

18. Financial instruments

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to the financial statements, are as follows:

	2016 $	2015 $
Financial assets		
Cash and cash equivalents	8,253	64,483
Loan receivable	65,000	65,000
Total financial assets	**73,253**	**129,483**
Financial liabilities		
Trade and other payables	377,859	74,150
Total financial liabilities	**377,859**	**74,150**
Total net financial assets	**(304,606)**	**55,333**

Windimurra Vanadium Limited
Notes to the financial statements (continued)
For the year ended 30 June 2016

18. Financial instruments (continued)

Credit risk

Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2016	**2015**
Cash and cash equivalents	8,253	64,483
	8,253	**64,483**

The Company does not currently earn revenue from operating assets, thus there is currently no credit risk on trade receivables at the reporting date by geographic region, customer type or by significant customer.

Impairment losses

The Company does not have any receivables that are past due, nor is there a requirement to make any allowances for impairment in respect of other receivables.

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Company 30 June 2016	**Carrying amount**	**Contractual cash flows**	**1-12 mths**	**1-2 years**	**2-5 years**	**More than 5 years**
	$	**$**	**$**	**$**	**$**	**$**
Trade and other payables	377,859	377,859	377,859	-	-	-
Company 30 June 2015						
Trade and other payables	74,150	74,150	74,150	-	-	-

Currency risk

Exposure to currency risk

During the year ended 30 June 2016, the Company was exposed to currency risk to the extent that there is a mismatch between the currencies in which purchase are denominated and the respective functional currency of the Company. Generally, purchases are denominated in the currency that matches the cash flows generated by the underlying operations of the Company; being Australian dollars.

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows;

	2016 USD	**2015 USD**
Trade and other payables	-	61,793
Total financial liabilities	**-**	**61,793**

	2016 GBP	**2015 GBP**
Trade and other payables	-	997
Total financial liabilities	**-**	**997**

Windimurra Vanadium Limited
Notes to the financial statements (continued)
For the year ended 30 June 2016

18. Financial instruments (continued)
Currency risk (continued)
Exposure to currency risk (continued)

	2016 ZAR	2015 ZAR
Trade and other payables	140,543	-
Total financial liabilities	**140,543**	**-**

Interest rate risk

The Company's exposure to interest rate risk and the effective interest rate for classes of financial assets and financial liabilities is set out below:

	Floating interest rate $	2016 total $	Floating interest rate $	2015 total $
Financial assets				
-Within one year				
Cash and cash equivalents	8,253	**8,253**	64,483	**64,483**
Total financial assets	**8,253**	**8,253**	**64,483**	**64,483**
Effective interest rate	0.95%		1.50%	
Financial liabilities				
-Within one year				
Total financial liabilities	**-**	**-**	**-**	**-**

The Company is exposed to interest rate risk as the Company hold funds on deposit at floating interest rates.

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to Directors and represents management's assessment of the possible change in interest rates.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Company's net revenue would increase by $41 and decrease by $41 respectively (2015: $322).

19. Reconciliation of cash flows from operating activities

	2016 $	2015 $
Cash flows from operating activities		
Loss for the period	(1,025,993)	(275,279)
Impairment	300,000	-
Convertible note effective interest	-	(7,692)
Change in value of option	103,806	(300,887)
Overaccrual	-	2,564
(Increase) in trade and other receivables	(2,112)	(6,660)
Increase/(Decrease) in trade and other payables	438,069	(717,152)
Net cash from operating activities	(186,230)	(1,305,106)

Non-cash financing activities - refer to note 17 regarding shares issued on conversion of convertible notes.

20. Related Party Transactions

Key management personnel compensation

	2016 $	2015 $
The key management personnel compensation are as follows:		
Short-term employee benefits	174,800	177,418
	174,800	**177,418**

Other transactions with related parties

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the Company in the reporting period. These are as follows:

Consultancy services:

Jason Ferris is a Director of J2J Investments Pty Ltd ("J2J"), which provided the Company with consultancy services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount incurred for the year ended 30 June 2016 was $72,000 (2015: $36,000). As at 30 June 2016, the amount payable to J2J is $30,000 (2015: $6,000).

Dr James Searle is a Director of Earthsciences Pty Ltd ("Earthsciences"), which provided the Company with consultancy services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount incurred for the year ended 30 June 2016 was $40,755 (2015: $nil). As at 30 June 2016, the amount payable to Earthsciences is $17,300 (2015: $nil).

There were no other transactions with Directors and key management personnel in the current financial year.

Windimurra Vanadium Limited
Notes to the financial statements (continued)
For the year ended 30 June 2016

21. Segment Reporting

The Company operates in one reportable segment, being mineral exploration and the Company operates in two geographical locations, being Australia and Sri Lanka. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources in the Company.

The geographical information for the Company is as follows:

	Segment revenue		Segment loss	
	2016	**2015**	**2016**	**2015**
Segment Revenue and Results	**$**	**$**	**$**	**$**
Mineral exploration - Sri Lanka	-	-	(112,213)	(83,738)
Mineral exploration - Australia	-	-	270,401	(3,525)
Total for continuing operations	-	-	158,188	(87,263)
Financing income (net of financing expenses)	-	-	422	320,080
Administration costs and directors' fees	-	-	(780,797)	(508,094)
Impairment expense			(300,000)	-
Other expense			(103,806)	-
Loss before tax (continuing operations)	-	-	(1,025,993)	(275,278)

	2016	2015
Segment Assets	**$**	**$**
Mineral exploration - Sri Lanka	664,149	652,955
Mineral exploration - Australia	-	300,000
Total segment assets	664,149	952,955
Unallocated	34,382	287,860
Total assets	698,531	1,240,815

	2016	2015
Segment Liabilities	**$**	**$**
Mineral exploration - Sri Lanka	63,666	-
Mineral exploration - Australia	12,714	4,769
Total segment liabilities	75,780	4,769
Unallocated	302,078	69,381
Total liabilities	377,859	74,150

Windimurra Vanadium Limited
Notes to the financial statements (continued)
For the year ended 30 June 2016

22. Subsequent Events

Windimurra Project

Subsequent to the 30 June 2016 and following a review of the Windimurra Tenement, the board resolved to surrender the tenement.

Sri Lankan Mineral Sands Project

Subsequent to the 30 June 2016, the Company reported on the 12 September drilling undertaken in the prospective corridor by the project vendor Srinel. Hand auger drilling of 818 holes in the corridor found visual indications of heavy mineral concentrations over an area in excess of $20km^2$. Srinel will continue drilling until it has completed a first pass auger drilling coverage on the prospective corridor on a line spacing of 800m and drill holes separations of 50 to 100m. Samples from the drilling will be consigned for laboratory analysis after the conclusion of the program.

Other than the events noted above, there are no other events subsequent to the reporting date.

23. Commitments and Contingencies

Office Accommodation Services

Beginning from 1 July 2016, the Company had entered into a service agreement with Trident Capital Pty Ltd of a period of 1 year.

	2016 $	**2015 $**
Commitments no longer than 1 year		
Annual office accommodation services	24,000	24,000
	24,000	24,000

24. Auditors' Remuneration

	2016 $	**2015 $**
Audit and other non-audit services		
BDO Audit (WA):		
Audit and review of financial reports	32,915	32,956
Taxation services	-	1,530
	32,915	**34,486**

Windimurra Vanadium Limited
Directors' declaration

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

1) the financial statements and notes thereto are in accordance with the Corporations Act 2001, including:

   a) giving a true and fair view of the financial position of the Company as at 30 June 2016 and of its performance, as represented by the results of its operations and cash flows, for the financial year ended on that date; and

   b) comply with Accounting Standards in Australia and the Corporations Regulations 2001; and

2) 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.

3) The financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295(a) of the Corporations Act 2001.

Dated at Perth this 30th day of September 2016

Signed in accordance with a resolution of the directors:

Jason Ferris
Director

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Windimurra Vanadium Limited

Report on the Financial Report

We have audited the accompanying financial report of Windimurra Vanadium Limited, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, 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 report.

BDO

Opinion

In our opinion:

(a) the financial report of Windimurra Vanadium Limited is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 2 in the financial report which describes the conditions which give rise to 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

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 16 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit con ducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Windimurra Vanadium Limited for the year ended 30 June 2016 complies with section 300A of the Corporations Act 2001.

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth, 30 September 2016

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

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

As lead auditor of Windimurra Vanadium Limited for the year ended 30 June 2016, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2016

Windimurra Vanadium Limited
Additional shareholder information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information was applicable as at 21 September 2016.

A. Distribution of Equity Securities

Analysis of numbers of security holders by size of holding:

Distribution	Number of Shareholders	Number of Shares
1 - 1,000	1,447	516,235
1,001 - 5,000	559	1,195,959
5,001 - 10,000	77	538,236
10,001 - 100,000	79	3,548,362
100,001 - 999,999,999	215	469,094,863
1,000,000,000 - 9,999,999,999	0	0
Total	**2,377**	**474,893,655**

There were 2,152 shareholders holding less than a marketable parcel of ordinary shares calculated at $0.005 per share being the price of the proposed capital raising.

B. Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below:

	Listed Ordinary Shares	
Shareholder Name	**Number**	**Percentage**
KING GEORGE V NOMINEES LTD	44,895,000	9.45
MR LAURENT LEYENDECKER	38,142,000	8.03
MR JASON + LISA PETERSON <J & L PETERSON S/F A/C>	30,000,000	6.32
HEEDFUL PTY LTD <ASSURED S/F A/C>	24,225,000	5.10

C. Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are listed below:

		Listed Ordinary Shares	
	Shareholder Name	**Number**	**Percentage**
1.	KING GEORGE V NOMINEES LTD	44,895,000	9.45
2.	MR LAURENT LEYENDECKER	38,142,000	8.03
3.	MR JASON + LISA PETERSON <J & L PETERSON S/F A/C>	30,000,000	6.32
4.	HEEDFUL PTY LTD <ASSURED S/F A/C>	24,225,000	5.10
5.	TRIDENT CAPITAL PTY LTD	17,500,000	3.69
6.	MR GLYNN LOGUE	14,300,000	3.01
7.	AEGEAN CAPITAL PTY LTD <THE SPARTACUS A/C>	12,800,000	2.70
8.	AGENS PTY LTD <THE MARK COLLINS FAMILY A/C>	10,000,000	2.11
9.	KINGSTON VALE PTY LTD <YOUD FAMILY A/C>	10,000,000	2.11
10.	MR ADAM SIERAKOWSKI <THE WARSAW A/C>	10,000,000	2.11
11.	IML HOLDINGS PTY LTD	9,620,000	2.03
12.	DOF NOMINEES PTY LTD <DAVID FARRIS SUPER FUND A/C>	7,536,238	1.59
13.	PAUL BATE	6,000,000	1.26
14.	CITIBANK NOMINEES PTY LTD	6,000,000	1.26
15.	DR NIMAL MARTIN FERNANDO	6,000,000	1.26
16.	GEORGE ROBINSON	6,000,000	1.26
17.	BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	5,500,000	1.16
18.	SHARIC SUPERANNUATION PTY LTD <FARRIS SUPER FUND A/C>	5,450,000	1.15
19.	KOSHER HOLDINGS PTY LTD <HANNAH FAMILY A/C>	5,415,000	1.14
20.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,062,640	1.07
	TOP 20 TOTALS	**274,445,878**	**57.79**

Windimurra Vanadium Limited
Additional shareholder information (continued)

D. Voting Rights

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person (or representing a corporation who is a member) shall have one vote and upon a poll, each share will have one vote.

E. On-market buy-back

There is no current on-market buy-back.

F. Restricted Securities

There are currently no restricted securities.