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17 October 2016

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Australian Securities Exchange
Company Announcements Platform
20 Bridge Street
SYDNEY NSW 2000

Windward Resources Ltd
ASX Code: WIN

Dear Sir/Madam

TAKEOVER BID FOR WINDWARD RESOURCES LTD (ASX:WIN): TARGET'S STATEMENT

We are the solicitors for Windward Resources Ltd (ACN 158 432 270) (**Windward**).

In accordance with item 14 of subsection 633(1) of the Corporations Act 2001 (Cth), attached is a copy of the target's statement of Windward dated 17 October 2016 (**Target's Statement**) in response to the off-market takeover bid by Independence Group NL (ACN 092 786 304) (**IGO**) for all of the ordinary shares in Windward.

The Target's Statement has today been lodged with the Australian Securities and Investments Commission and sent to IGO.

Yours faithfully

STEINEPREIS PAGANIN



TARGET'S STATEMENT

Windward Resources Ltd

ACN 158 432 270

in relation to the off-market takeover bid by

Independence Group NL

ACN 092 786 304

to acquire all of your ordinary fully paid shares in Windward Resources Ltd.

The Directors of Windward Resources Ltd unanimously recommend, in the absence of a Superior Proposal, that you

ACCEPT

the Offer from Independence Group NL.

This is an important document and requires your immediate attention. If you do not understand it or are in doubt as to how to act, you should consult your legal, financial or other professional adviser immediately. If you have recently sold all your Windward Shares please disregard this document.

Windward Shareholders who require assistance may call the Company Secretary on +61 8 9321 6667 at any time between 8:30am and 5pm (WST) on Monday to Friday.



Capital Group

Corporate Adviser

STEINPREIS PAGANIN
Lawyers & Consultants



Legal Adviser

IMPORTANT NOTICES

Nature of this document

This Target's Statement is dated 17 October 2016 and is given by Windward Resources Ltd (**Windward**) under Part 6.5 Division 3 of the Corporations Act in response to the Bidder's Statement by Independence Group NL (**IGO**) dated 10 October 2016.

ASIC and ASX disclaimer

A copy of this Target's Statement has been lodged with ASIC and ASX. None of ASIC or ASX, nor any of their respective officers, takes any responsibility for the contents of this Target's Statement.

No account of personal circumstances

This Target's Statement should not be taken as personal financial, investment or tax advice as each Shareholder's deliberations and decision will depend upon their own financial situation, tax position, investment objectives and particular needs.

Your Windward Directors encourage you to read this Target's Statement in its entirety and obtain independent advice from your investment, financial, tax or other professional adviser before making a decision whether or not to accept the Offer.

Defined terms

Capitalised terms used in this Target's Statement are defined in section 12 of this Target's Statement.

Further information

Windward Shareholders who require assistance may call the Company Secretary on +61 8 9321 6667 at any time between 8:30am and 5pm (WST) on Monday to Friday.

Further information relating to the Offer can be obtained from Windward's website at **www.winres.com.au**. Information contained in, or otherwise accessible through, this internet site is not a part of this Target's Statement. All references in this Target's Statement to this internet site are inactive textual references and are for your information only.

Forward looking statements

This Target's Statement contains various forward looking statements. Statements other than statements of historical fact may be forward looking statements. Windward believes that it has reasonable grounds for making all statements relating to future matters attributed to it in this Target's Statement. Windward Shareholders should note that such statements are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors, many of which are beyond the control of Windward. Shareholders should note that any reference to past performance is not intended to be, nor should it be relied upon as, a guide to any future performance. Actual results, values, performance or achievements may differ materially from results, values, performance or achievements expressed or implied in any forward looking statement. None of Windward, its officers nor any person named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any results, values, performance or achievements expressed or implied in any forward looking statement, except to the extent required by law. Shareholders should not place undue reliance on

any such statement. The forward looking statements in this Target's Statement only reflect views held as at the date of this Target's Statement. Any forward looking statement in this Target's Statement is qualified by this cautionary statement.

Information on IGO

All of the information concerning IGO contained in this Target's Statement has been obtained from publicly available sources including public documents filed by IGO and the Bidder's Statement. None of the information in this Target's Statement relating to IGO has been verified by Windward or its Directors for the purposes of this Target's Statement. Accordingly, to the extent permitted by law, Windward makes no representation or warranty (either express or implied) as to the accuracy or completeness of this information. The information on IGO in this Target's Statement should not be considered comprehensive.

Foreign jurisdictions

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law, and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the laws and regulations outside Australia.

Charts and diagrams

Any diagrams, charts, graphs, maps and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, graphs, maps and tables is based on information available at the date of this Target's Statement.

Privacy

Windward has collected your information from the register of Windward Shareholders for the purpose of providing you with this Target's Statement. The type of information Windward has collected about you includes your name, contact details and information on your shareholding (as applicable) in Windward. Without this information, Windward would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to external service providers (including the Windward Share Registry and print and mail service providers) and may be required to be disclosed to regulators such as ASIC.

If you would like details of information about you held by Windward, please contact the Windward Share Registry, Advanced Share Registry Services, 110 Stirling Highway, Nedlands WA 6009 or on +61 8 9389 8033.

Risk Factors

Shareholders should note that there are a number of risks associated with the Offer and with remaining a Windward Shareholder if they reject the Offer.

Please refer to sections 3.16, 4 and 8 of this Target's Statement for further information on those risks.

KEY POINTS OF THE OFFER

- **IGO is offering \$0.19 cash for every one of your Windward Shares**

See section 3.2 of this Target's Statement and section 9.1 of the Bidder's Statement.

- **The Offer expires at 7.00pm (Sydney time) on 30 November 2016, unless extended by IGO**

See section 3.9 of this Target's Statement and section 9.2 of the Bidder's Statement.

- **You can accept the Offer by following the instructions in the Bidder's Statement and completing the Acceptance Form enclosed with the Bidder's Statement prior to the close of the Offer**

See section 5 of this Target's Statement and section 9.3 of the Bidder's Statement.

- **All Windward Directors unanimously recommend, in the absence of a Superior Proposal, that you ACCEPT the Offer**

See section 1 of this Target's Statement.

KEY DATES

Event	Key Date
Announcement of the Offer	5 October 2016
Date of Bidder's Statement	10 October 2016
Date of this Target's Statement	17 October 2016
Date of despatch of Bidder's Statement and Target's Statement to Windward Shareholders, and opening date of the Offer	17 October 2016
Close of Offer Period (unless extended)	7.00pm (Sydney time) on 30 November 2016

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LETTER FROM THE CHAIRPERSON OF WINDWARD

17 October 2016

Dear Shareholder

TAKEOVER BID BY INDEPENDENCE GROUP NL

On 5 October 2016, Windward Resources Ltd (**Windward**) announced an off-market takeover offer by IGO Group NL (**IGO**) to acquire all of the Windward Shares on issue (the **Offer**).

Under the terms of the Offer, Windward Shareholders who accept the Offer will receive **\$0.19 cash** per Windward Share.

Included with this Target's Statement is the Bidder's Statement from IGO which encloses the details of the Offer. This Target's Statement sets out the response of the Directors to the Offer.

Board Recommendation

After careful consideration, the Directors of Windward unanimously recommend that you **ACCEPT** the Offer in the absence of a Superior Proposal.

The Windward Directors who hold Windward Shares intend to accept the Offer in full, in the absence of a Superior Proposal.

In making its recommendation, the Windward Directors have carefully considered the following matters:

- the cash offer of \$0.19 per Windward Share represents a significant premium to the trading price of Windward Shares on ASX up to and including 16 September 2016 (being the last day of trading prior to Windward Shares being placed in trading halt and voluntary suspension), including:
 - 46% premium to the last traded price of Windward Shares of \$0.13 on 16 September 2016;
 - 60% premium to the 5 day volume weighted average price of \$0.119 up to and including 16 September 2016; and
 - 81% premium to the 30 day volume weighted average price of \$0.105 up to and including 16 September 2016;
- Windward Shareholders are being offered certainty of value through the 100% cash consideration, providing you with the ability to lock in an attractive and guaranteed cash return as compared to the risks and uncertainties associated with remaining a Windward Shareholder;
- IGO holds a Relevant Interest in Windward of 41.79% as at 14 October 2016, being the last trading day prior to the date of this Target's Statement;
- one of Windward's major shareholders, Mark Creasy, who holds a Relevant Interest in 27.44% of Windward Shares, has indicated that he intends, in the absence of a proposal superior to the Offer, to accept the Offer in respect of all Windward Shares he holds or controls on the business day following the later of 21 days after

the Offer opens and IGO lodging a notice of change of interest of substantial holder in respect of Windward confirming IGO's voting power in Windward of at least 22.67%;

- there has not been any other takeover offer for Windward and, as at the date of this Target's Statement, the Directors believe the prospect of a Superior Proposal emerging is remote; and
- there are material risks which may affect the value of your investment in Windward if you do not accept the Offer. See section 3.16 of this Target's Statement for more details of these risk factors.

The Windward Directors recommend that you read this Target's Statement in its entirety and in conjunction with the Bidder's Statement you have received from IGO.

If you wish to accept the Offer, you should follow the instructions in the Bidder's Statement and on the Acceptance Form.

The Offer is scheduled to close at **7.00pm (Sydney time) on 30 November 2016**, unless extended by IGO.

If you have any questions in relation to the Offer, I encourage you to seek independent advice from your investment, financial, tax or other professional adviser, or contact the Company Secretary of Windward on +61 8 9321 6667.

I would also like to take this opportunity to thank you for your support of Windward.

Yours sincerely,



Ms Bronwyn Barnes
Executive Chairperson
Windward Resources Ltd

1. FREQUENTLY ASKED QUESTIONS

In this section answers are provided to some commonly asked questions about the Offer. This section should be read together with the rest of this Target's Statement. This section is not intended to comprehensively answer all questions that may arise in relation to the Offer nor address all issues that are relevant to Windward Shareholders.

The Offer	
Who is offering to purchase my Windward Shares?	Independence Group NL (ACN 092 786 304) (IGO). IGO is a company incorporated in Australia and listed on the Australian Securities Exchange (ASX). IGO is a diversified mining, development and exploration company that is currently developing the Nova project as well as producing gold, nickel and copper, zinc and silver from three mining operations in Western Australia. Information in relation to IGO can be obtained from section 2 of the Bidder's Statement and IGO's website at www.igo.com.au.
What is being offered to me?	IGO is offering \$0.19 cash for each Windward Share held by you. You may only accept the Offer in respect of all of the Windward Shares held by you.
What are the Windward Directors recommending?	The Windward Directors unanimously recommend that you ACCEPT the Offer, subject to there being no Superior Proposal. If there is any change to this recommendation the Windward Directors will inform you. The reasons for your Directors' recommendation are set out in section 2 of this Target's Statement. You are encouraged to read the Bidder's Statement and Target's Statement in full and to consider the Offer having regard to your personal circumstances. The Windward Directors encourage you to seek your own independent financial and taxation advice prior to deciding whether to accept the Offer.
What do the Directors intend to do with their Windward Shares?	Each Director who holds or controls Shares intends to accept or procure the acceptance of the Offer in respect of the Shares they own or control, in the absence of a Superior Proposal.
What do some of the major shareholders of Windward intend to do with their Windward Shares?	One of Windward's major shareholders, Mark Creasy, who holds a Relevant Interest in 27.44% of Windward Shares, has indicated that he intends, in the absence of a proposal superior to the Offer, to accept the Offer in respect of all Windward Shares he holds or controls on the business day following the later of 21 days after the Offer opens and IGO lodging a notice of change of interest of substantial holder in respect of Windward confirming IGO's voting power of at least 22.67%.
When will I receive payment if I accept	The cash consideration will be paid to you on or before the earlier of:

the Offer?	• 21 days after the end of the Offer Period; and • one month after the Offer is accepted by you.
What are the conditions to the Offer?	The Offer is not subject to any conditions.
When does the Offer close?	The Offer is presently scheduled to close at 7.00pm (Sydney time) on 30 November 2016 (unless extended). Section 3.9 of this Target's Statement provides further details regarding the circumstances in which the Offer Period may be extended.
Can IGO extend the Offer?	IGO may extend the Offer Period at any time before the end of the Offer Period. In addition, there will be an automatic extension of the Offer Period, if within the last 7 days of the Offer Period: • IGO improves the consideration offered under the Offer; or • IGO voting power in Windward increases to more than 50%. If either of these two events occurs, the Offer Period will be automatically extended so that it ends 14 days after the relevant event occurs.
Does the Offer include my Windward Options?	IGO will make a separate offer to all of the holders of Windward Options to cancel those Windward Options in exchange for the payment of a cash price per Windward Option. Refer to section 3.19 of this Target's Statement for further information.

Options for Windward Shareholders	
What choices do I have as a Shareholder?	As a Shareholder, you have the following choices in respect of your Shares: • accept the Offer in respect of all of your Windward Shares; • sell your Windward Shares on ASX (unless you have previously accepted the Offer); or • do nothing in relation to the Offer. If you have already sold all your Windward Shares, no action is required. YOUR WINDWARD DIRECTORS UNANIMOUSLY RECOMMEND, IN THE ABSENCE OF A SUPERIOR PROPOSAL, THAT YOU <u>ACCEPT</u> THE OFFER.
When do I have to decide?	If you wish to accept the Offer you need to do so before its scheduled closing date. IGO has stated that its Offer is scheduled to close at 7.00pm (Sydney time) on 30 November 2016, unless it is extended. If you wish to reject the Offer, you do not need to do anything.

How to respond to the Offer	
How do I accept the Offer?	To accept the Offer, you should follow the instructions set out on the Acceptance Form that accompanies the Bidder's Statement.
How do I reject the Offer?	To reject the Offer, you should do nothing. If you decide to do nothing, you should be aware of the rights of IGO to compulsorily acquire your Shares in certain circumstances. See section 3.14 of this Target's Statement for more details in relation to compulsory acquisition.
Can I accept the Offer for part of my shareholding?	No. You cannot accept the Offer for part of your shareholding. You may only accept the Offer made to you for all of the Windward Shares held by you.
Can I sell my Shares on-market?	You can sell all or some of your Shares on ASX unless you have accepted the Offer in respect of those Shares. If you sell your Shares on ASX: • you may incur brokerage charges; • you will lose the ability to accept the Offer or any other offer which may eventuate; • you may receive more or less for your Shares than the Offer Price; and • you will be paid on the second Business Day after the sale.
What are the consequences of accepting the Offer?	If you accept the Offer you will receive \$0.19 for each Windward Share you hold.
If I accept the Offer now, can I withdraw my acceptance?	No. If you accept the Offer you will not be able to withdraw your acceptance.
What happens if I do nothing?	You will remain a Windward Shareholder. However, IGO has stated that if it becomes entitled to compulsorily acquire Windward Shares, it intends to do so. See section 6.3 of the Bidder's Statement for more details.

General Matters	
What are the tax implications of accepting the Offer?	A general outline of the tax implications of accepting the Offer is set out in section 7 of the Bidder's Statement. As the outline is general in nature, you should consult your taxation adviser for detailed taxation advice before making a decision as to whether or not to accept the offer.
Do I pay brokerage if I accept?	No brokerage or stamp duty will be payable as a result of your acceptance of the Offer.
If I have further questions in relation to the Offer, what can I do?	Please call the Company Secretary on +61 8 9321 6667 at any time between 8:30am and 5pm (WST) on Monday to Friday, or you can speak to your financial or other professional adviser.

2. REASONS TO ACCEPT THE OFFER

The Windward Directors have considered the advantages and disadvantages of the Offer and unanimously recommend that you **ACCEPT** the Offer, unless a Superior Proposal emerges.

The Windward Directors further recommend that you accept the Offer promptly to ensure that your acceptance is received before the closing date of the Offer at **7.00pm (Sydney time) on 30 November 2016**. You should not assume that the Offer Period will be extended.

The reasons for the recommendation of the Windward Directors are as follows:

- **THE OFFER PROVIDES A SIGNIFICANT PREMIUM FOR YOUR WINDWARD SHARES**

The cash consideration being offered by IGO is **\$0.19 cash** per Windward Share.

The Offer values the entire issued share capital of Windward at approximately A\$20.5 million and represents a:

- **46% premium** to the last traded price of Windward Shares of **\$0.13** on 16 September 2016, being the last trading day for Windward Shares prior to the announcement of the Offer;
- **60% premium** to the 5 day VWAP of **\$0.119** up to and including 16 September 2016, being the last trading day for Windward Shares prior to the announcement of the Offer; and
- **81% premium** to the 30 day VWAP of **\$0.105** up to and including 16 September 2016, being the last trading day for Windward Shares prior to the announcement of the Offer.

- **THE ALL CASH OFFER PROVIDES YOU WITH CERTAINTY OF VALUE FOR YOUR WINDWARD SHARES**

The Offer of **\$0.19 cash** per Windward Share provides you with certainty of value for your Windward Shares.

If IGO does not acquire all of the Windward Shares and no Superior Proposal is received by Windward, the Windward Directors believe that the Windward Share price may fall to levels below the Offer Price.

- **REMOTE LIKELIHOOD OF A SUPERIOR PROPOSAL**

As at the date of this Target's Statement, there has not been any other takeover offer for the Windward Shares and the Directors believe the prospect of a Superior Proposal emerging is remote, given:

- As at 14 October 2016, being the last trading day prior to the date of this Target's Statement, IGO holds a Relevant Interest in Windward of 41.79%; and
- One of Windward's major shareholders, Mark Creasy, who holds a Relevant Interest in 27.44% of Windward Shares, has indicated that he intends, in the absence of a proposal superior to the Offer, to accept the Offer in respect of all Windward Shares he holds or controls on the business day following the later of 21 days after the Offer opens and

IGO lodging a notice of change of interest of substantial holder in respect of Windward confirming IGO's voting power in Windward of at least 22.67%.

- **THE WINDWARD BOARD UNANIMOUSLY RECOMMENDS YOU ACCEPT THE OFFER, IN THE ABSENCE OF A SUPERIOR PROPOSAL**

The Windward Board unanimously recommends that you accept the Offer, in the absence of a Superior Proposal.

Each of the Windward Directors who holds a Relevant Interest in Windward Shares has indicated their intention to accept, or procure the acceptance of, the Offer in respect of the Windward Shares that they, or their Associates, own or control or otherwise have a Relevant Interest in, subject to there being no Superior Proposal.

- **UNDER THE OFFER YOU WILL NOT INCUR BROKERAGE FEES**

By accepting the Offer:

- You will be paid **\$0.19 cash** per Windward Share;
- You will not incur any brokerage fees which may be incurred if you choose to sell your Windward Shares on the ASX; and
- You will be paid on the earlier of one month after the receipt of your acceptance and 21 days after the end of the Offer Period.

IGO has stated that it intends to compulsorily acquire your Windward Shares if it becomes entitled to do so. You should be aware that any payment made to Windward Shareholders whose Windward Shares are compulsorily acquired will occur later than payments made to Windward Shareholders who accept the Offer.

- **THERE ARE OTHER RISKS IN NOT ACCEPTING THE OFFER**

If you retain your Windward Shares, you will continue to be exposed to the risks associated with being a Windward Shareholder. A non-exhaustive summary of such risks are set out in section 8 of this Target's Statement.

For further information on the risks associated with not accepting the Offer, refer to section 3.16 of this Target's Statement.

In considering whether to accept the Offer, the Windward Directors encourage you to:

- (a) read and carefully consider the whole of this Target's Statement and the Bidder's Statement;
- (b) have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- (c) obtain independent advice from your investment, financial, tax or other professional adviser on the effect of accepting the Offer.

3. DETAILS OF THE OFFER

3.1 Background to the Offer

On 5 October 2016, Windward and IGO jointly announced that they had entered into the Bid Implementation Deed under which IGO agreed to make an off-market takeover offer for all of the Windward Shares.

At the same time as you receive this Target's Statement, you will receive IGO's Bidder's Statement, containing the full terms and conditions of the Offer, together with other information material to your decision whether or not to accept the Offer.

3.2 The Offer

IGO will offer \$0.19 cash for each Windward Share held.

3.3 Offer premium

The Offer Price represents a premium to the price at which Windward Shares were last traded on ASX prior to the announcement of the Offer. The Offer Price represents a premium as follows:

- 46% premium to the last traded price of Windward Shares prior to the announcement of the Offer
- 60% premium to the 5 day VWAP up to and including 16 September 2016
- 81% premium to the 30 day VWAP up to and including 16 September 2016

3.4 The Offer is unanimously recommended by the Windward Directors

The Windward Directors unanimously recommend that Shareholders accept the Offer in the absence of a Superior Proposal.

3.5 Directors' intentions in relation to the Offer

Each of the Windward Directors who holds a Relevant Interest in Windward Shares has indicated their intention to accept, or procure the acceptance of, the Offer in respect of the Windward Shares that they, or their Associates, own or control or otherwise have a Relevant Interest in, subject to there being no Superior Proposal.

3.6 IGO intentions

See section 6 of the Bidder's Statement for a summary of IGO's intentions following completion of the Offer.

3.7 Intentions of a major shareholder

Mr Creasy, who holds a 27.44% Relevant Interest in Windward, has indicated his intention to accept the Offer, in the absence of a proposal superior to the Offer, in respect of all Shares he holds or controls on the business day following the later of 21 days after the Offer opens and a substantial holding notice being lodged by IGO in respect of Windward confirming that IGO has Voting Power in Windward of at least 22.67%.

Mr Stephen Lowe, a Windward Director, is currently the part-time business manager for Mark Creasy and is responsible for managing most aspects of Mr Creasy's business interests and investments. Mr Lowe is the nominee of Mr Creasy on the Windward Board. The Windward Board (other than Mr Lowe) has determined that, for the purposes of the Offer, Mr Lowe is an independent director and is able to participate in discussions, vote on matters, and give his recommendation to Shareholders, in relation to the Offer.

3.8 Offer Conditions

The Offer is not subject to any conditions.

3.9 Offer Period and extension

Unless the Offer is extended, it is open for acceptance from 17 October 2016 until 7.00pm (Sydney time) on 30 November 2016.

IGO may extend the Offer Period at any time before the end of the relevant Offer Period.

In addition, there will be an automatic extension of the Offer Period if within the last 7 days of the Offer Period IGO increases the consideration being offered under the Offer or IGO's Voting Power in Windward increases to more than 50%.

If either of these two events occurs, the Offer Period for the Offer is automatically extended so that it ends 14 days after the relevant event occurs.

3.10 Effect of acceptance

The effect of accepting the Offer is set out in section 9.5 of the Bidder's Statement.

3.11 Withdrawal of the Offer

The Offer may only be withdrawn with the consent of ASIC and subject to any conditions which ASIC may impose. Any acceptances of the Offer prior to the date of withdrawal will remain enforceable. Refer to section 9.8 of the Bidder's Statement for further details.

3.12 Your ability to withdraw your acceptance

If you accept the Offer you may not withdraw your acceptance.

3.13 When you will receive the Offer Price if you accept the Offer

If you accept the Offer IGO will pay you the Offer Price on or before the earlier of:

- (a) one month after the date of your acceptance; and
- (b) 21 days after the end of the Offer Period.

Full details of when you will receive the Offer Price are set out in section 9.6 of the Bidder's Statement.

3.14 Increased Offer Price

If IGO improves the Offer Price during the Offer Period, any Shareholder who had previously accepted the Offer will be entitled to receive the improved Offer Price.

3.15 Compulsory acquisition

IGO's intentions with respect to compulsory acquisition are set out in section 6.3 of the Bidder's Statement.

In summary, IGO has indicated that if it becomes entitled to compulsorily acquire any outstanding Windward Shares in accordance with Part 6A.1 of the Corporations Act and any outstanding Windward Options in accordance with Part 6A.2 of the Corporations Act, it intends to proceed with the compulsory acquisition of these shares and options.

An overview of IGO's rights to compulsorily acquire Windward Shares is set out below.

(a) Post-bid compulsory acquisition

IGO will be entitled, under section 661A of the Corporations Act, to compulsorily acquire any Windward Shares in respect of which it has not received an acceptance of the Offer on the same terms as the Offer if, during or at the end of the Offer Period, IGO (together with its Associates) has a Relevant Interest in at least 90% (by number) of the Windward Shares and IGO and its Associates have acquired at least 75% (by number) of the Windward Shares that IGO offered to acquire under the Offer (whether the acquisitions happened under the bid or otherwise).

If these thresholds are met, IGO will have up to one month after the end of the Offer Period within which to give compulsory acquisition notices to Windward Shareholders who have not accepted the Offer. Windward Shareholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant Windward Shareholder to establish to the satisfaction of a Court that the consideration offered does not represent "fair value" for their Windward Shares.

If compulsory acquisition occurs, Windward Shareholders who have their Windward Shares compulsorily acquired will be paid their consideration later than Windward Shareholders who accept the Offer.

(b) General compulsory acquisition provisions

IGO will be entitled, under section 664A of the Corporations Act, to compulsorily acquire any outstanding Windward Shares and Windward Options if IGO's voting power in Windward is at least 90% and IGO (either in its own right or through related bodies corporate) acquires full beneficial interests in at least 90% (by value) of the aggregate of all Windward Shares and Windward Options and:

- (i) IGO lodges a compulsory acquisition notice with ASIC within six months of achieving that 90% holding;

- (ii) IGO proposes a cash sum for the compulsory acquisition of the Windward Shares and Windward Options; and
- (iii) IGO obtains the report of an expert stating whether, in the expert's opinion, the terms proposed in the notice give fair value of the securities covered.

3.16 Risks associated with rejecting the Offer

(a) No Premium

Windward Shareholders who do not accept the Offer may not receive the premium offered by IGO. Further, in the absence of the Offer, the price of Windward Shares on ASX may potentially reduce to the levels at which it was trading before the date of announcement of the Offer.

(b) Minority shareholding

If IGO fails to acquire sufficient Windward Shares to be entitled to compulsorily acquire all outstanding Windward Shares, non-accepting Windward Shareholders may find themselves as minority shareholders in a company with potentially limited share liquidity. In those circumstances, the possible implications would be as follows:

- (i) IGO will be able to cast the majority of votes at a general meeting of Windward enabling it to control the Board and senior management, determine Windward's dividend policy and control the strategic direction of Windward;
- (ii) subject to the requirements of the Corporations Act and Windward's constitution, IGO may appoint nominees of IGO to the Board;
- (iii) if IGO acquires 75% or more of the Windward Shares, it will be able to pass special resolutions of Windward. This will enable IGO to amend Windward's constitution; and
- (iv) there would be a risk that Windward Shares would trade at prices materially lower than the Offer Price.

In section 6.4 of the Bidder's Statement, IGO describes its intentions in the event Windward becomes a controlled entity of IGO, but IGO is not entitled to proceed to compulsory acquisition.

3.17 Further developments

Should there be any developments during the Offer Period (for example, the emergence of a Superior Proposal from another bidder) which would alter the Windward Directors' recommendations in relation to the Offer, Windward Shareholders will be notified through a supplementary Target's Statement.

3.18 Taxation Consequences

In making a decision whether to accept the Offer, Windward Shareholders should also have regard to the fact that the disposal of Windward Shares may have taxation consequences. Windward Shareholders should carefully read and consider the potential Australian taxation consequences of accepting the Offer as set out in section 7 of the Bidder's Statement.

3.19 Options Offer

Windward currently has 1,200,000 Options on issue as follows:

Option Class	Number of Options	Exercise Price	Expiry Date
1	900,000	\$0.206	27 November 2017
2	300,000	\$0.0804	1 December 2018

Under the Bid Implementation Deed, IGO will, as soon as practicable after making the Offer, make an offer to each holder of Windward Options under which their Windward Options will be cancelled in exchange for the payment to the Optionholders of cash consideration equal to:

- (a) in respect of Option Class 1: **\$0.06 per Option**; and
- (b) in respect of Option Class 2: **\$0.13 per Option**.

The Options Offer is subject to ASX granting a waiver from ASX Listing Rule 6.23.2 or Windward Shareholders approving the cancellation of the Windward Options.

Each of the Windward Directors is a holder of Windward Options in the proportions set out in section 9.2 of this Target's Statement. Each of the Windward Directors intends to accept the Options Offer made to him or her in full, in the absence of a Superior Proposal.

4. OFFER CONSIDERATIONS AND RISKS

This section 4 sets out key reasons why Shareholders may decline to accept the Offer.

4.1 Possible reasons not to accept the Offer

- (a) **You may disagree with the recommendation of the Windward Directors**

You may hold a different view to the Windward Directors and believe that the Offer Price of \$0.19 per Share is inadequate.

- (b) **You may wish to remain a Windward Shareholder**

If you accept the Offer, you will no longer be entitled to participate in the future financial performance of Windward or exercise the rights (including voting rights) of being a Windward Shareholder.

- (c) **The tax consequences of acceptance of the Offer may not be favourable to you given your financial position**

Acceptance of the Offer by Windward Shareholders is likely to have tax implications. You should carefully read and consider the potential Australian taxation consequences of accepting the Offer as summarised in section 7 of the Bidder's Statement.

Windward Shareholders should not rely on the taxation considerations set out in section 7 of the Bidder's Statement as being advice on their own affairs. Shareholders should consult with their own independent

taxation advisers regarding the taxation implications of accepting the Offer given their particular circumstances.

(d) **You may consider that there is the potential for a proposal superior to the Offer to be made for Windward Shares**

It is possible that a proposal superior to the Offer could materialise in the future. However, as at the date of this Target's Statement, no alternative proposal has been received.

4.2 Risks associated with accepting the Offer

If Superior Proposal is announced you will not be able to withdraw your acceptance of the Offer

If a Superior Proposal is announced, Windward Shareholders who accept the Offer will not be able to withdraw their acceptance of the Offer and accept a Superior Proposal.

At the date of this Target's Statement, the Windward Directors are not aware of any Superior Proposal.

5. YOUR CHOICES AS A SHAREHOLDER

As a Windward Shareholder you have three choices currently available to you:

- **ACCEPT THE OFFER**

Windward Shareholders may elect to accept the Offer in respect of their Windward Shares. Shareholders will receive \$0.19 cash consideration for each Share for which a valid acceptance has been received.

To accept the Offer, follow the instructions on the Acceptance Form which accompanies the Bidder's Statement.

- **SELL YOUR WINDWARD SHARES ON MARKET**

Windward Shareholders may elect to sell some or all of their Windward Shares on ASX if they have not already accepted the Offer in respect of those Windward Shares.

The price you will receive for your Windward Shares will depend on the prevailing market price of the Windward Shares at the time of sale. You should be aware that the market price of Windward Shares may rise or fall throughout the Offer Period and following the close of the Offer. You should also note that:

- you will need to pay any brokerage fees which may be payable on such a sale; and
- you will not benefit from any increase in the Offer Price or from any alternative offer made by another bidder for your Windward Shares, if such an offer is made.

The latest price for Windward Shares may be obtained from the ASX website at **www.asx.com.au**.

Windward Shareholders who wish to sell their Windward Shares on ASX should contact their broker for information on how to effect that sale.

- **DO NOTHING**

Windward Shareholders who do not wish to accept the Offer or sell their Windward Shares on market can do nothing.

Windward Shareholders should note that if IGO acquires a Relevant Interest in at least 90% of the Windward Shares during or at the end of the Offer Period, IGO has indicated that it intends to compulsorily acquire the Windward Shares in which it has not acquired a Relevant Interest. In that situation, you may be paid for your Windward Shares later than Windward Shareholders who accept the Offer.

6. INFORMATION RELATING TO WINDWARD

6.1 Overview of Windward

Windward is an ASX-listed mineral exploration company. The principal focus of Windward is its interest in the Fraser Range North and Fraser Range South projects which are considered prospective for nickel and gold.

6.2 History of Windward

Windward was incorporated on 18 May 2012 for the primary purpose of identifying exploration projects in Australia and elsewhere which could host commercially significant mineral deposits. Windward has been listed on the ASX since 28 November 2012.

6.3 Project overview

(a) Fraser Range North

The Fraser Range North Project consists of ten tenements covering a total of area of 1,957 km², located in the Fraser Range region of Western Australia. The tenements extend for approximately 180km from Zanthus in the north to Fraser Range Station in the south.

Windward holds a 70% interest in the majority of the tenements comprising the Fraser Range North Project, with the remaining 30% held by entities that are part of the Creasy Group. Windward holds 100% of some of the tenements in the Fraser Range North Project.

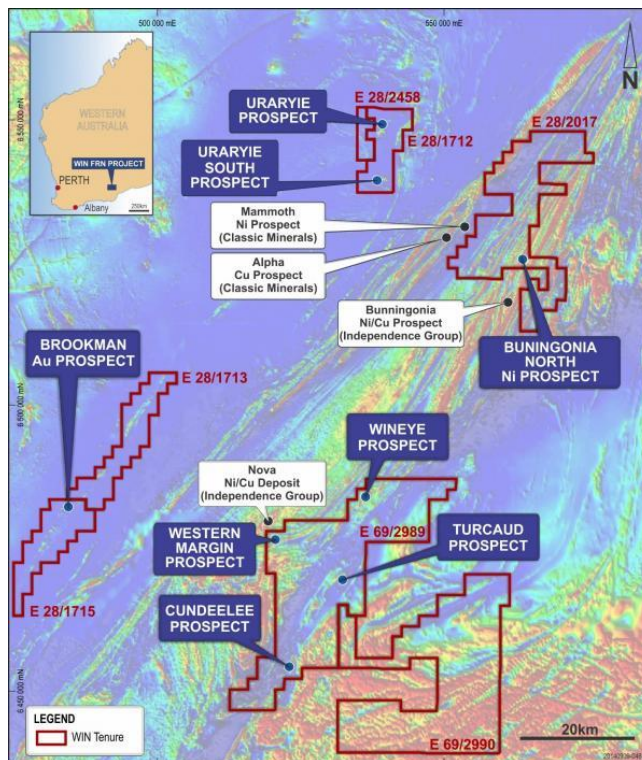


Figure 1 – Fraser Range North project locations.

Western Margin Prospect

Within the Fraser Range North Project, Windward has embarked upon an exploration initiative focusing on the Western Margin prospect, following a reassessment of its exploration potential.

The Western Margin prospect is located in a favourable geological and structural setting just 3.5km east of IGO's Nova nickel-copper deposit.

A detailed gravity survey has been completed at the Western Margin prospect to potentially identify mafic intrusive rocks in favourable structural settings within the Western Margin stratigraphy. These intrusions are known to host the nearby Nova nickel-copper-cobalt deposit.

The Western Margin tenement (E69/2989) is located within the Fraser Zone along the eastern margin of the main Fraser Range north-easterly trending gravity high. The geology at Western Margin is identified as a series of folded rocks predominantly comprising a mixture of metasedimentary and mafic rocks intruded by mafic sills.

Windward completed reprocessing and interpretation of its detailed aeromagnetic dataset (in 2013) covering the Western Margin prospect. The key outcome of this exploration review and analysis, including the new gravity survey, was the identification of an "area of interest" located approximately 3.5km due east of the Nova nickel-copper deposit. The area includes a large residual gravity feature within the recently determined structural corridor in an area below a paleo-channel which has not previously been drill tested. Windward's soil geochemical samples show nickel and copper values that are indicative of the presence of mafic and possibly ultramafic rocks in this area.

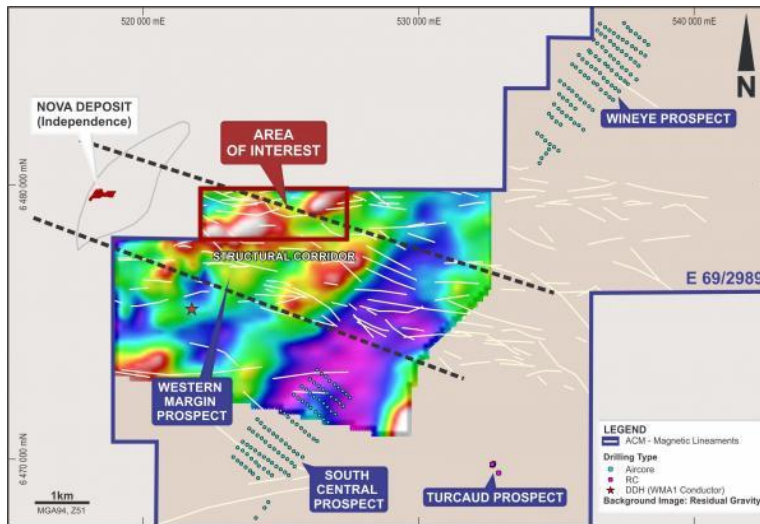


Figure 2 – Cross-Cutting Structural Corridor and “Area of Interest” on Residual Gravity dataset at Western Margin prospect (E69/2989)

On 3 August 2016, Windward announced to ASX the results of its aircore drilling program undertaken on the Western Margin Prospect in June 2016. On 29 August 2016, Windward announced to ASX the results of its IP geophysical survey completed on the “Area of Interest”. On 5 October 2016, Windward announced to ASX an update on its IP review at the Western Margin Prospect. Shareholders are referred to those announcements for further information in respect of the Western Margin Prospect.

(b) **Fraser Range South**

The Fraser Range South Project comprises seven tenements covering a total of 1,100km², located in the Great Southern and South West of Western Australia. The project tenements extend from Lake Muir in the west to Jerramungup in the east, a distance of approximately 250km.

The tenements cover the western and southern extensions of the Albany-Fraser Orogen and the South West Yilgarn Craton.

Windward holds a 70% interest in the Fraser Range South Project, with the remaining 30% held by entities that are part of the Creasy Group.

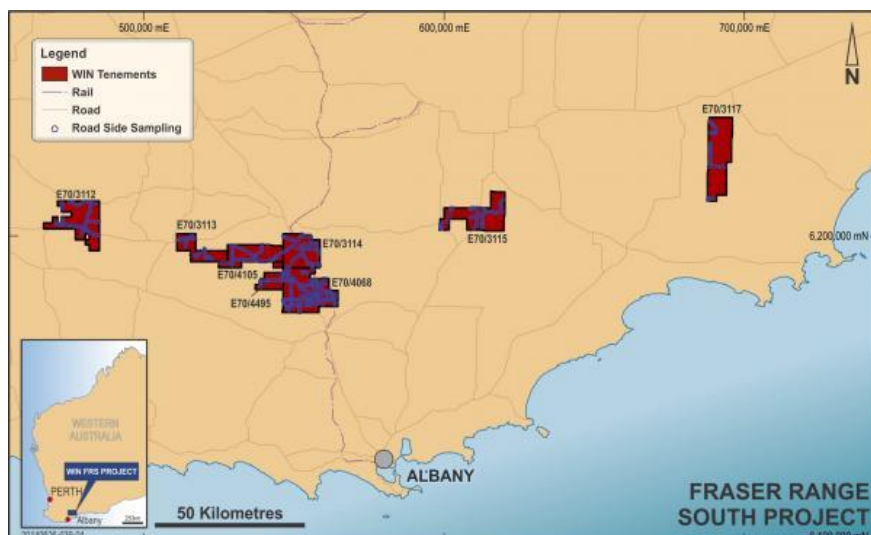


Figure 3 – Fraser Range South Project Tenements showing roadside sampling coverage.

6.4 Schedule of Tenements

The tenements in which Windward holds an interest as at the date of this Target's Statement are as follows:

Tenement	Project	Location	Holding
E 70/3113	Fraser Range South	Frankland	70%
E 70/3114	Fraser Range South	Cranbrook	70%
E 70/3115	Fraser Range South	Borden	70%
E 70/3117	Fraser Range South	Jerramungup	70%
E 70/4068	Fraser Range South	Mt Barker	70%
E 70/4105	Fraser Range South	Nunijup	70%
E 70/4495	Fraser Range South	Kendenup West	70%
E 69/2989	Fraser Range North	Fraser Range	70%
E 28/1711	Fraser Range North	Zanthus	70%
E 28/1712	Fraser Range North	Zanthus	70%
E 28/1713	Fraser Range North	Fraser Range	70%
E 28/1715	Fraser Range North	Fraser Range	70%
E 28/2017	Fraser Range North	Fraser Range	70%
E 69/2990	Fraser Range North	Fraser Range	70%
E 28/2459	Fraser Range North	Zanthus	100%
E 28/2458	Fraser Range North	Zanthus	100%
E 28/2419	Fraser Range North	Zanthus	100%

6.5 Windward financial information

Windward's annual report (comprising the full financial accounts) for the financial year ending 30 June 2016 (**2016 Annual Report**) was released to ASX on 22 September 2016.

The 2016 Annual Report discloses that Windward, on a consolidated basis, reported revenue of \$214,781, an after tax loss of \$2,193,521, total assets of \$5,794,146 and total equity of \$5,620,612.

No event or item which may have a significant effect on the financial information contained in the 2016 Annual Report has occurred since 30 June 2016.

6.6 Windward issued capital

As at the date of this Target's Statement, Windward has the following securities on issue:

- (a) 108,057,031 Shares;
- (b) 900,000 Options exercisable at \$0.206 each on or before 27 November 2017; and
- (c) 300,000 Options exercisable at \$0.0804 each on or before 1 December 2018.

6.7 Substantial Shareholders

Based on publically disclosed substantial holder notices, the substantial holders of Windward Shares (being persons who hold a Relevant Interest in Windward of 5% or more) as at 14 October 2016, being the last trading day prior to the date of this Target's Statement, are as follows:

Shareholder Name	Number of Shares	Voting Power in Windward
Independence Group NL (and its related bodies corporate)	45,155,312	41.79%
Mark Creasy (and controlled entities)	29,647,031	27.44%

6.8 Recent Share price performance

The below chart shows the Offer Price relative to the price performance of Windward Shares on ASX during the 12 month period preceding 14 October 2016:



6.9 Windward Board

Ms Bronwyn Barnes, BA, Grad Dip Bus, MAICD Executive Chair

Ms Barnes has extensive experience in strategic planning and project development, having worked for a number of international and Australian private and public companies. With over 16 years' experience in the resources sector, Ms Barnes has held director, leadership and operational roles with companies ranging from BHP Billiton to emerging juniors. Ms Barnes is an experienced board member having served in both executive and non-executive capacities in the resources, fishing, indigenous, education and community sectors.

Ms Barnes is currently the executive chair of Windward Resources Ltd, independent director of JC International Group Limited (JCI) and is a Member of the Advisory Council for Curtin University School of Business.

Mr Stephen Lowe, B Bus (ECU), Grad Dip Adv Tax (UNSW), MTax (UNSW), FTIA, MAICD Non-Executive Director

Mr Stephen Lowe is currently the part-time business manager for major shareholder Mark Creasy and responsible for managing most aspects of Mr Creasy's business interests and investments.

Mr Lowe is a taxation and business management specialist with over 15 years' experience consulting to a wide range of corporate and private clients. He is a former director of the Perth based specialist taxation firm MKT Taxation Advisors. His qualifications include a Bachelor of Business, Post-Graduate Diploma in Advanced Taxation and a Master of Taxation from the University of New South Wales.

Mr Lowe is a Fellow of the Taxation Institute of Australia. He is also a Member of the Australian Institute of Company Directors.

Mr Lowe is currently a non-executive director of ASX listed Coziron Resources NL (ASX:CZR) and Talga Resources Ltd (ASX:TLG).

Mr George Cameron-Dow, Master of Management (cum laude) Wits, SEP Stanford (USA), FAICD, FAIM Non-Executive Director

Mr Cameron-Dow has held several executive and non-executive, listed and private company directorships across a variety of industries.

From 2001 to 2005 Mr Cameron-Dow was a director of corporate advisory and investment firm Churchill Capital Services. He is a founding director (2006) of investment fund manager Fleming Funds Management Pty Ltd (previously St George Capital Pty Ltd) and investment advisory firm Fleming Capital Pty Ltd.

Mr Cameron-Dow is past chairman of a number of retirement funds, past chairman of a private health insurance fund, past managing director of ASX listed Xceed Capital Ltd and chairman of Naracoota Resources Ltd

Mr Cameron-Dow has a Master of Management (cum laude) from Wits University and in 1998 attended the Stanford Executive Program at Stanford University,

USA. He is a fellow of the Australian Institute of Management, and fellow of the Australian Institute of Company Directors.

Mr Stuart Fogarty, BSc (Hons)
Non-Executive Director

Mr Fogarty has over 20 years of exploration experience in nickel, copper, gold and various other commodities. He commenced his career at Kambalda Nickel in 1994 and has held senior roles with Western Mining Corporation and BHP Billiton, including Senior Geoscientist for nickel exploration in the Leinster and Mt Keith region, Project Manager WA Nickel Brownfields and Regional Manager Australia – Asia. Until recently, Mr Fogarty was BHP's Senior Exploration Manager for North and South America.

6.10 Other material information about Windward

All Windward disclosures to ASX are available on Windward's website at **www.winres.com.au** and on the ASX website at **www.asx.com.au** (under the ASX company code "WIN").

For more information on Windward, please visit **www.winres.com.au**.

7. INFORMATION RELATING TO IGO

7.1 Important notice

The following information about IGO is based on public information, including information in the Bidder's Statement, and has not been independently verified. Accordingly, Windward does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on IGO in this Target's Statement should not be considered comprehensive.

For more information on IGO, please refer to:

- (a) section 2 of the Bidder's Statement;
- (b) the website of IGO, **www.igo.com.au**; and
- (c) the ASX disclosures of IGO available on IGO's website at **www.igo.com.au** and on the ASX website at **www.asx.com.au** (under the company code "IGO").

7.2 Overview of IGO

IGO is an ASX listed diversified mining, development and exploration company that is currently developing its Nova project as well as producing gold, nickel and copper, zinc and silver from three mining operations in Western Australia.

7.3 Operations of IGO

(a) Nova Project

The Nova Project comprises an underground mine to mine two orebodies, Nova and Bollinger, as well as a 1.5Mtpa processing facility.

(b) Tropicana Gold Mine

IGO owns a 30% non-operating interest in the Tropicana Gold Mine located 330km east northeast of Kalgoorlie. The 70% joint venture interest is held by AngloGold Ashanti Australia Limited.

Mining of the Havana deposit commenced in 2012, the processing plant was commissioned in 2013 and first gold poured in September 2013.

(c) **Long Operation**

The Long Operation was acquired by IGO in September 2002. The mine was re-commissioned in October 2002 and has been operating successfully and safely since then.

(d) **Jaguar Operation**

The Jaguar zinc, copper and silver mine and processing operations were acquired by IGO in 2011, through the acquisition of Jabiru Metals Limited.

7.4 Financial information

In the financial year ended 30 June 2016, IGO, on a consolidated basis, reported revenue of \$417,050,000, an after tax loss of \$58,770,000, total assets of \$2,007,391,000 and total equity of \$1,455,791,000.

The full financial accounts for IGO for the 2016 financial year, which include the notes to the accounts, can be found in the annual financial report for IGO for that period.

7.5 Directors

As at the date of this Target's Statement, the directors of IGO are as follows:

Director Name	Position
Mr Peter Bilbe	Non-executive chairman
Mr Peter Bradford	Managing director
Mr Geoffrey Clifford	Non-executive director
Mr Peter Buck	Non-executive director
Mr Keith Spence	Non-executive director
Mr Neil Warburton	Non-executive director

8. RISK FACTORS

If you decide not to accept the Offer and retain your Windward Shares, you will continue to be exposed to the risks associated with being a Windward Shareholder. Holding a Windward Share provides an economic interest in the ongoing operating activities of Windward. However, there is no guarantee that Windward will become profitable in the future as the business is affected by many risk factors.

These may be risks that are widespread risks associated with any form of business or specific risks associated with Windward's business and its involvement in the exploration and mining industry.

The following summary represents some of the major risk factors which affect Windward. These risk factors ought not to be taken as exhaustive of the risks faced by Windward or by Windward Shareholders. These factors, and others not specifically referred to, may in the future materially affect the financial performance of Windward and the value of Windward Shares. Where relevant, the risk factors below assume the Offer will not be successful and Windward will continue to develop its projects interests.

(a) **General market risks**

The value of Windward Shares will be influenced by a number of factors that are common to most listed investments. At any point in time, these may include:

- (i) the Australian and international economic outlook;
- (ii) movements in the general level of prices on international and the local stock markets;
- (iii) changes in economic conditions including commodity prices, inflation, recessions and interest rates; and
- (iv) changes in Government fiscal, monetary and regulatory policies.

(b) **Company specific risks**

(i) **Future Share price**

There is a risk that the Windward Share price may fall if the Offer is unsuccessful.

The Directors are not in a position to speculate on the future trading price of the Windward Shares, including if the Offer lapses. The future price of Windward Shares is dependent not only on Windward's performance, but also on external market and other factors.

(ii) **Financing and capital**

Windward's continued ability to effectively implement its business plan over time may depend in part on its ability to raise additional funds. Notwithstanding Windward's current financial position, Windward's capacity to develop projects depends on its ability to put significant funding solutions in place.

There can be no assurance that Windward will generate sufficient cash flow, or that access to sufficient investments, loans or other financing alternatives will be secured on commercially acceptable terms.

(iii) **Exploration and development risk**

Windward's future value will be materially dependent on the success or otherwise of Windward's activities which are directed towards the exploration, evaluation and development of nickel, gold and other resources. Exploration for these resources is speculative and involves a significant degree of risk.

Although the rewards can be substantial, there is no guarantee that future exploration on territories for which Windward has exploration licences will lead to a commercial discovery or, if there is such discovery, that Windward will be able to develop it economically. If at any stage Windward is precluded from pursuing any of its exploration programs or from developing any resource it may identify, this may have an adverse effect on the value of Windward Shares.

(iv) **Resources and reserve estimates**

Resource and reserve estimates are expressions of judgements based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(v) **Operating risks**

The current and future operations of Windward, including exploration, appraisal, construction and production activities may be affected by a range of factors, including adverse geological conditions, limitations on activities due to seasonal weather patterns and cyclone activity, unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities, mechanical failure of operating plant and equipment, industrial and environmental accidents, industrial disputes, riots and other force majeure events, unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment and the inability to obtain necessary consents or approvals.

Further, mechanical or operational failures during drilling, sampling, test work construction and production could cause Windward substantial loss due to the cost of delay, personal injury or loss of life, damage to or destruction of property, natural resources and equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation and penalties and suspension of operations. Any of these events might also give rise to claims against Windward.

Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown, environmental hazards such as accidental spills or leakage of liquids, gas leaks, ruptures, discharges of toxic gases or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against Windward and substantial losses to Windward due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, clean-up responsibilities, regulatory

investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against Windward.

(vi) **Mine development**

Possible future development of mining operations at the Fraser Range Project is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If Windward commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control. No assurance can be given that Windward will achieve commercial viability through the development of the Fraser Range Project.

(vii) **Commodity price volatility**

Internationally traded commodities and price changes are driven by a number of supply and demand factors which are outside of Windward's control and are subject to exchange rate risks. In addition, commodity prices fluctuate and are affected by many factors beyond the control of Windward and the Directors.

Changes to commodity prices may impact the value of Windward's projects and any revenue derived from those projects.

(viii) **Occupational Health and Safety Risk**

The mining industry is an inherently hazardous industry, and is subject to increasing occupational health and safety responsibility and liability. The potential for significant loss and liability is a constant risk. If Windward fails to comply with necessary occupational health and safety legislative requirements, it could result in fines, penalties and compensation for damages as well as reputational damage.

(ix) **Environmental Risk**

The operations of Windward are subject to state and federal laws in Australia concerning the environment. Whilst Windward conducts its activities to the highest standard of environmental obligations including in compliance with environmental laws, there are certain risks inherent in Windward's activities which could subject Windward to environmental liability.

(x) **Regulatory and Political Risk**

Government regulations and political factors, including those relating to prices, taxes, royalties, land tenure, security of mineral rights tenure, land use, the environment, and community constraints, including potential land claims or restrictions on exploration or development are all key considerations in mineral projects. The effects of these factors cannot be accurately predicted and any combination of one or other of the above may impede the operation or development of a project and even render it uneconomic.

(xi) **Reliance on key personnel**

Windward has benefited from having a high quality but small management team available. Loss of a number of key personnel may adversely affect Windward.

9. ADDITIONAL INFORMATION

9.1 Details of Directors

The Directors of Windward as at the date of this Target's Statement are:

Director Name	Position
Ms Bronwyn Barnes	Executive chairperson
Mr George Cameron-Dow	Non-executive director
Mr Stephen Lowe	Non-executive director
Mr Stuart Fogarty	Non-executive director

9.2 Directors' interests in Windward securities

Details of Windward Shares and Windward Options in which each Director has a Relevant Interest are as follows:

Director Name	Windward Shares	Windward Options
Ms Bronwyn Barnes	Nil	300,000
Mr George Cameron-Dow	300,000	100,000
Mr Stephen Lowe	155,000	300,000
Mr Stuart Fogarty	Nil	300,000

9.3 Dealings in securities in Windward

No Director has acquired or disposed of a Relevant Interest in any Windward Shares or Windward Options during the four month period ending on the date immediately before the date of this Target's Statement.

9.4 Directors' interests in IGO securities

Except as set out below, no Director has a Relevant Interest in any securities of IGO as at the date of this Target's Statement.

Director Name	IGO shares	IGO options
Ms Bronwyn Barnes	Nil	Nil
Mr George Cameron-Dow	Nil	Nil
Mr Stephen Lowe	308,000	Nil
Mr Stuart Fogarty	Nil	Nil

9.5 Dealing in IGO securities

Except as set out below, neither Windward nor any Director acquired or disposed of a Relevant Interest in any securities in IGO during the four month period ending on the date immediately before the date of this Target's Statement:

- (a) Mr Stephen Lowe acquired a Relevant Interest in 8,000 shares in IGO on 26 August 2016 pursuant to the share purchase plan announced by IGO on 27 July 2016. In consideration for the acquisition, Mr Lowe paid the share purchase plan issue price of \$3.75 per share.

9.6 Conditional agreements

No Director is a party to any agreement or arrangement with any other person in connection with or conditional on the outcome of the Offer, other than as Optionholders who intend to accept the Options Offer (see section 3.19 of this Target's Statement for further information).

9.7 Payments and benefits

The executive services agreement of Ms Bronwyn Barnes, the executive chairperson of Windward, provides that Windward will pay to Ms Barnes a cash bonus of \$50,000 upon completion of a corporate transaction. The acquisition of Windward by IGO shall, for the purpose of the executive services agreement of Ms Barnes, constitute a corporate transaction.

Except as otherwise disclosed in this Target's Statement, other than a benefit permitted under section 200F of the Corporations Act, no benefit is proposed to be given to a Director in connection with his retirement from office at Windward or a related body corporate of Windward, or in connection with the transfer of the whole or any part of the undertaking or property of Windward.

To the extent permitted by law and subject to restrictions in the Corporations Act, Windward indemnifies each Director against any liabilities arising as a result of the Director acting as an officer of the Company.

9.8 Bid Implementation Deed

On 4 October 2016, Windward and IGO entered into the Bid Implementation Deed in relation to the Offer.

A full copy of the Bid Implementation Deed was released by Windward to ASX on 5 October 2016 and is available at: www.asx.com.au.

9.9 Continuous disclosure

Windward is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the

ASX Listing Rules. These obligations require Windward to notify ASX of information about specified matters and events as they occur for the purpose of making that information available to the market. In particular, Windward has an obligation (subject to limited exceptions) to notify ASX immediately on becoming aware of any information which a reasonable person would expect to have a material effect on the price or value of Windward Shares.

Copies of the documents filed with ASX may be obtained from the ASX website at **www.asx.com.au** and **www.winres.com.au**.

Copies of documents lodged with ASIC in relation to Windward may be obtained from, or inspected at, an ASIC office.

9.10 Publicly available information

This Target's Statement contains statements which are made in or based on statements made in documents lodged by various parties (including Windward) with ASIC, or given to ASX, including the Bidder's Statement.

As required by ASIC Class Order 13/521, Windward will make available a copy of these documents (or of relevant extracts from these documents), free of charge, to Windward Shareholders who request it during the Offer Period. To obtain a copy of these documents (or the relevant extracts), Windward Shareholders may call the Company Secretary on +61 8 9321 6667 at any time between 8:30am and 5pm (WST) on Monday to Friday.

9.11 Material litigation

As at the date of this Target's Statement, Windward is not aware of any current or proposed litigation or dispute that is material and to which it is or may be party.

9.12 ASIC declarations and ASX Listing Rules waivers

Windward has not been granted any modifications or exemptions by ASIC from the Corporations Act in connection with the Offer. Further, Windward has not sought or been granted any waivers from ASX in relation to the Offer other than lodging an application for waiver of Listing Rule 6.23.2 to permit Windward to cancel the Windward Options without approval by Windward Shareholders.

9.13 Taxation considerations for Windward Shareholders

A general outline of the tax implications of accepting the Offer is set out in section 7 of the Bidder's Statement.

As that section provides a general overview only, Windward Shareholders are encouraged to seek their own personal advice on the taxation implications applicable to their circumstances.

9.14 No other material information

This Target's Statement is required to include all the information Windward Shareholders and their professional advisers would reasonably require to make an informed assessment of whether to accept the Offer, but:

- (a) only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and

- (b) only if the information is known to any of the Windward Directors.

The Windward Directors are of the opinion that the information that Windward Shareholders and their professional advisers would reasonably require to make an informed assessment of whether to accept the Offer is:

- (a) the information contained in the Bidder's Statement (to the extent that the information is not inconsistent with or superseded by information in this Target's Statement);
- (b) the information which has been previously disclosed by Windward as a disclosing entity in accordance with its continuous disclosure and reporting obligations to ASX and ASIC;
- (c) the information contained in Windward releases to ASX prior to the date of this Target's Statement; and
- (d) the information contained in this Target's Statement.

The Windward Directors have assumed, for the purposes of preparing this Target's Statement, that the information contained in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). The Windward Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements contained in it.

In deciding what information should be included in this Target's Statement, the Windward Directors have had regard to:

- (a) the nature of the Windward Shares;
- (b) the matters Windward Shareholders may reasonably be expected to know;
- (c) the fact that certain matters may reasonably be expected to be known to the professional advisers of Windward Shareholders; and
- (d) the time available to Windward to prepare this Target's Statement.

10. CONSENTS

Each of the persons listed below has given and has not, before the lodgement of this Target's Statement with ASIC, withdrawn their consent to the inclusion of the following information in this Target's Statement in the form and context in which it is included and to all references in this Target's Statement to that information in the form and context in which they appear:

- (a) each Director, to being named as a director;
- (b) Steinepreis Paganin, to being named in this Target's Statement as legal adviser to Windward;
- (c) PCF Capital Group, to being named in this Target's Statement as corporate adviser to Windward;

Each person named above as having given its consent to being named in this Target's Statement:

- (a) does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name.

As permitted by ASIC Class Order 13/521, this Target's Statement contains statements which are made, or based on statements made, in documents lodged with ASIC or ASX (in compliance with the ASX Listing Rules). Pursuant to this Class Order, the consent of persons to which such statements are attributed is not required for the inclusion of those statements in this Target's Statement.

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement may include or be accompanied by certain statements:

- (a) fairly representing a statement by an official person; or
- (b) from a public official document or published book, journal or comparable publication.

Pursuant to ASIC Corporations (Consents to Statements) Instrument 2016/72, the consent of persons to which such statements are attributed is not required for the inclusion of those statements in this Target's Statement.

Any Windward Shareholder who would like to receive a copy of any of the documents (or parts of the documents) that contain the statements which have been included pursuant to ASIC Class Order 13/521 may obtain a copy free of charge by writing to the Windward Company Secretary or by contacting the Company Secretary on +61 8 9321 6667 at any time between 8:30am and 5pm (WST) on Monday to Friday.

Copies of all announcements by Windward may also be obtained from the Company's website at **www.winres.com.au**.

In addition, as permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement contains share price trading data sourced from Bloomberg without its consent.

11. APPROVAL OF THE TARGET'S STATEMENT

The copy of this Target's Statement that is to be lodged with ASIC has been approved by a resolution passed by the Directors.

This Target's Statement is dated 17 October 2016, which is the date on which it was lodged with ASIC.

Signed for and on behalf of Windward.

Dated 17 October 2016

A handwritten signature in black ink, appearing to read 'Bronwyn Barnes'.

**Ms Bronwyn Barnes
Executive Chairperson**

12. GLOSSARY AND INTERPRETATION

12.1 Definitions

The following definitions apply in this Target's Statement unless the context requires otherwise:

Acceptance Form means the Acceptance Form provided to you by IGO with its Bidder's Statement containing instructions on how to accept the Offer.

ASIC means the Australian Shares and Investments Commission.

Associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act.

ASX means ASX Limited or the market operated by it (as the context requires).

ASX Listing Rules means the official listing rules of ASX as amended, varied, modified or waived from time to time.

Bid Implementation Deed means the bid implementation deed between Windward and IGO dated 4 October 2016.

Bidder's Statement means the bidder's statement served on Windward by IGO on 10 October 2016 in relation to the Offer.

Business Day means a day which is not a Saturday, Sunday or a public holiday in Perth, Western Australia.

Corporations Act means the *Corporations Act 2001* (Cth).

Creasy Group means:

- (a) Lake Rivers Gold Pty Ltd (ACN 122 986 681);
- (b) Ponton Minerals Pty Ltd (ACN 108 313 024);
- (c) Mark G Creasy;
- (d) NBX Pty Limited (ACN 140 719 491);
- (e) Great Southern Gold Pty Limited (ACN 123 821 545); and
- (f) Yandal Investments Pty Ltd (ACN 070 684 810).

Fraser Range Project means the Fraser Range Project nickel-gold project in which Windward holds an interest, as further described in section 6.3 of this Target's Statement.

IGO or Bidder means Independence Group NL (ACN 092 786 304).

Offer means the takeover bid by IGO to acquire all of the Windward Shares on the terms and conditions set out in the Bidder's Statement.

Offer Price means \$0.19 per Windward Share.

Offer Period means the period within which the Offer is open for acceptance in accordance with the Bidder's Statement and the Corporations Act.

Options Offer means the offer by IGO to Optionholders in respect of Windward Options on the terms set out in the Bid Implementation Deed, as summarised in section 3.19 of this Target's Statement.

Register Date means the date set by IGO under section 633(2) of the Corporations Act, being 10 October 2016.

Relevant Interest has the meaning given to that term in section 9 of the Corporations Act.

Superior Proposal has the meaning given to that term in the Bid Implementation Deed.

Target's Statement means this document, being the statement of Windward under Part 6.5 of the Corporations Act in relation to the Offer.

VWAP means volume weighted average price.

Windward or **Company** means Windward Resources Ltd (ACN 158 432 270).

Windward Board or **Board** means the board of directors of Windward.

Windward Director or **Director** means a director of Windward.

Windward Optionholder or **Optionholder** means a person registered in the register of options of Windward as a holder of one or more Windward Options.

Windward Options or **Options** means options to subscribe for Windward Shares which are on issue at the Register Date.

Windward Share or **Share** means a fully paid ordinary share in Windward.

Windward Shareholder or **Shareholder** means a person who is registered as the holder of a Windward Share in the Windward register of members.

Windward Share Registry means Advanced Share Registry Services.

12.2 Interpretation

The following rules of interpretation apply unless the context requires otherwise:

- (a) A term not specifically defined in this Target's Statement has the meaning given to it (if any) in the Corporations Act (as is appropriate to the context).
- (b) A gender includes all genders.
- (c) The singular includes the plural, and the converse also applies.
- (d) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
- (e) A reference to legislation or to a provision of legislation includes any modification or re-enactment of it, any legislative provision substituted for it and any regulations and statutory instruments issued under it.

- (f) A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns.
- (g) A reference to a right or obligation of any two or more people comprising a single party confers that right, or imposes that obligation, as the case may be, on each of them severally and each two or more of them jointly. A reference to that party is a reference to each of those people separately (so that, for example, a representation or warranty by that party is given by each of them separately).
- (h) A reference to an agreement or document is to the agreement or document as amended, supplemented, novated or replaced.
- (i) Headings used in this Target's Statement are for ease of reference only and do not affect the meaning or interpretation of this Target's Statement.
- (j) A reference to a section or Annexure is to a section of, or annexure to, this Target's Statement unless otherwise specified.
- (k) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (l) \$, A\$ or AUD is a reference to the lawful currency of Australia.
- (m) A reference to time is a reference to Australian Western Standard Time.

CORPORATE DIRECTORY

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