WINDARRA MINERALS LTD.

First Quarter Report
December 31, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

February 28, 2008

This Management Discussion and Analysis is provided for the purpose of reviewing the first quarter ended December 31, 2007 and comparing results to the previous period. The MD & A should be read in conjunction with the Company's unaudited interim consolidated financial statements and corresponding notes for the periods ending December 31, 2007 and 2006. The financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and all monetary amounts are expressed in Canadian dollars.

COMPANY OVERVIEW AND OVERALL PERFORMANCE

Windarra Minerals Ltd. ("the Company", "Windarra") has been in the business of exploring minerals for over 25 years, primarily gold properties both directly and indirectly through its subsidiary, Westward Explorations Ltd. ("Westward") and up until 2002, Messina Minerals Inc. (formerly Mishibishu Gold Corporation).

In June of 2007, Windarra completed an 823 metre drill program on the Pukaskwa property, with 14 short holes testing the down-dip potential of the Middle Finger Lake zone to shallow depths. Results for the first five drill holes confirmed the down-dip potential of the zone in the immediate area of the Middle Finger Lake zone trench as well as infill soil sampling on the West Aardvark grid. The channel and soil sampling, in combination with the diamond drilling, continue to affirm the excellent potential of the Pukaskwa property.

During the previous fiscal year the Company completed a private placement to raise $637,000 through the sale of 288,000 flow-through shares at a price of $0.25 per share and 2,825,000 non flow-through units at a price of $0.20 per unit. While the Company intends to raise additional funds, market conditions such as the price of gold and stock market trends will have an impact on the ability of the Company to obtain future financing.

The Company's loss before other items for the period ended December 31, 2007 was $169,109 (2006 - $44,133). This increase is largely due to a charge for stock-based compensation in the current period of $121,750 as opposed to $Nil in the period ended December 31, 2006.

During the year ended September 30, 2006, the Company recorded an income tax reassessment in the amount of $920,754 as a result of reassessment of Westward's 1995 tax return. During the period ended September 30, 2007, Westward filed and had approved a Proposal under the Bankruptcy Act. Under the terms of the Proposal, Westward will pay a total of $812,500 in settlement of accounts payable of $122,872 and amounts totaling $999,434 owed to Canada Revenue Agency. Initial payments of $162,500 have been made and the remaining $650,000 is to be paid in annual instalments of $130,000 due no later than March 31st of each year from 2008 to 2012.

RESULTS OF OPERATIONS

The Company incurred $1,841 on Pukaskwa claims during the period ended December 31, 2007 (year ended

September 30, 2007 – $287,129).

Pukaskwa Claims, Ontario

In June 2007, the Company undertook a 14 hole drill program on its wholly-owned Pukaskwa property.

The Pukaskwa property is located 50 kilometres west of Wawa, Ontario, less than 20 km northwest of Wesdome Gold Mines Ltd.'s (formerly River Gold Ltd.) Eagle River Mine, which has produced over 700,000 ounces of gold since 1995. The property also lies less than 20 km west-southwest of three contiguous and high prospective properties in which Windarra holds an interest. These are, from west to east, Windarra's Mishi leases (100% owned, see below), the past-producing Magnacon mine (40,000 ounces from 265,000 tons; Windarra and Westward are equal partners in what was an original 25% interest), and the Magnacon joint venture property (25% Windarra, 75% Wesdome). The Pukaskwa property consists of 55 contiguous unpatented mining claims which follow the east-northeast to west-southwest trending Mishibishu deformation zone for more than 12 kilometres. The deformation zone hosts many vein gold occurrences and showings, including the Mishi and Magnacon deposits, and it transects much of the length of the Mishibishu greenstone belt, an east-west trending belt of greenschist to amphibolite grade Archean volcanic and associated sedimentary rocks that are considered to be the western equivalent of the prolific Abitibi greenstone belt, west of the Kapuskasing structural zone.

Gold was identified within quartz veins that are hosted by Archean age rocks at the Pukaskwa property during exploration in the wake of the discovery of the Hemlo gold deposits in the early 1980's. The Hemlo deposits have produced approximately 20 million ounces Au since their discovery and are located only 80 kilometers to the north of the Pukaskwa property. Following significant exploration efforts in the 1980's and 1990's, when a host of gold occurrences, including the Champagne Vein and West Aardvark occurrence were discovered, little work was undertaken on the Pukaskwa property until the fall of 2004, when a new gold occurrence 0.5 kilometres southwest of the West Aardvark occurrence and 5 kilometres east of the Champagne vein was discovered. The new discovery, now known as the Bonanza-Grade zone, yielded values far in excess of previous discoveries on the property, and the new discovery renewed interest in the property. Following the discovery, the Company undertook further prospecting programs in the vicinity of the Bonanza-Grade zone, then established a 2 km x 1 km cut grid in the area. In 2005 soil geochemical samples were collected on the grid and compiled with soil geochem data from previous programs, and in 2006 magnetometer and induced polarization (IP) geophysical surveys were run on the grid, in conjunction with an extensive trenching program. In the course of this work an exciting new occurrence known as the Middle Finger Lake zone was discovered. Because of its size potential, with good gold grades over significant widths, and extensive coincident soil geochemical and IP chargeability anomalies, the Middle Finger Lake zone became the target for the 2007 diamond drilling program.

The drill program took place in June, with daily access to the frill from a base of operations in the town of Marathon. Fourteen holes and a total of 824 metres were drilled. Together, the results of the drilling, along with the channel sample intersections from the zone where exposed on surface, indicate that the Middle Finger Lake zone can yield significant intersections across a variety of mineable widths, that it has continuity from drillhole-to-drillhole, and that it has the potential to host a significant tonnage of near-surface gold mineralization on the

Pukaskwa property. The Middle Finger Lake zone, and other parts of the Pukaskwa property, clearly merit further drill-testing. In particular, the westward strike extent of the Middle Finger Lake zone is an attractive and untested drill target, as is the Bonanza-Grade zone, and there are a number of other areas on the grid which require further trenching and detailed mapping. These include the geochemical anomalies eastward and northeastward from the Bonanza-Grade zone, and the chargeability *en echelon* with, and to the southwest of, the Middle Finger Lake zone.

Mishi Properties

During the first quarter, Windarra entered into an agreement to acquire a 100% interest in two mining leases, as well as a royalty in respect to ore mined and milled from a third crown mining lease from Messina Minerals Inc. ("Messina" as to 60%) and MacMillan Gold Corp. ("MacMillan" as to 40%). The mining leases are located in the Sault Ste. Marie Mining Division of Ontario near Wesdome Gold Mines' Mishi Pit. The royalty interest acquired from Messina and MacMillan provides for payment of $1.00/tonne for ore from open pit mining and $2.00/tonne for underground mining in excess of 700,000 tonnes mined and is payable to the Company by Wesdome.

Regulatory approval has been received and in consideration for this acquisition the Company has issued an aggregate of 400,000 common shares of its capital stock to Messina and MacMillan.

The Company's objective is to consolidate these properties, along with its existing gold exploration holdings, into one larger package in the Magnacon-Mishi area.

Magnacon Properties

The Magnacon Properties consist of 19 freehold patented claims and 7 leasehold patented claims at the Magnacon Property plus one leasehold claim (replacing 40 former mining claims) at the contiguous Magnacon East Property. In 2003, the claims were converted to 20-year leases. Windarra owns a 25% interest and Wesdome Gold Mines Ltd. (formerly River Gold Mines Ltd.) ("Wesdome") owns a 75% interest and is the operator of the exploration program.

The Magnacon Property is the site of the former producing Magnacon Mine, which produced 34,000 ounces of gold between early 1989 and July 1990. Windarra has expended approximately $17 million dollars since 1985 on the Properties. A total in excess of an estimated $70 million dollars has been spent by all parties between 1985 to 2000 on the exploration and development of the Properties.

In February 2004, Wesdome proposed a $6.8 million underground exploration and development program of which Windarra's share of costs would approximate $1.7 million. This involved 1,825 metres of development, 15,000 metres of drilling, and approximately 30,000 tonnes of test mining. During 2004, Windarra engaged the services of Peter Tallman, P. Geo, an independent geological consultant, to visit the property and review the budget and program, and to prepare a report to the Board. After a review of the proposed program and budget, Windarra notified the operator of its objection to the scope of the exploration program and, accordingly, has not made any further payments to Wesdome.

During the year ended September 30, 2005, the Company received notice from the operator that the Company's interest in these claims has been diluted to 22.2% as a result of non-payment of the Company's share of exploration expenditures on the claims since January 1, 2004 in an amount of approximately $340,000. As the work program undertaken by the operator was not approved by the Company, no provision has been made in the accounts of the Company for any liability associated with unpaid exploration expenditures. At September 30, 2007, the Company wrote down its interest in these claims to a nominal value.

CRA Tax Case

In 1995, Windarra sold an 11.12% interest in the Magnacon Mine property to Westward. CRA questioned the valuation of the property as reported by Windarra consultants, Watts Griffis and McQuat. In May 2000, Westward's 1995 Corporate Income Tax Return was reassessed and Westward filed Notice of Appeal with the Tax Court of Canada. The appeal was partially allowed, and a judgment received from the Court in February 2006. As a result of this judgment, Westward had a liability representing taxes, accrued interest and a portion of the CRA legal costs in the amount of $999,434.

Westward filed a Proposal pursuant to provisions of the Bankruptcy and Insolvency Act which was accepted by Westward's creditors in March 2007.

Under the terms of the Proposal, Westward will pay a total of $812,500 in settlement of debts to General Creditors of $1,122,306 which includes $999,434 owed to CRA. At December 31, 2007, $162,500 has been paid under the terms of the proposal. The remaining $650,000 is to be paid in annual instalments of $130,000 due no later than March 31st of each year from 2008 to 2012.

Exploration Financing

The following table sets forth the Company's use of proceeds for its recent private placements:

Financings	Proposed Use of Proceeds	Actual Use of Proceeds to December 31, 2007
$100,000 – June 2006	-$100,000 for property Exploration on the Pukaskwa Property	$100,000 on Pukaskwa property
$135,000 – July 2006	-$130,000 for property exploration on the Pukaskwa Property -$5,000 for working capital	$130,000 on Pukaskwa property
$637,000 – June 2007	$487,000 for property exploration on the Pukaskwa Property $150,000 for working capital	$269,060 on Pukaskwa property

SUMMARY OF QUARTERLY RESULTS

QUARTER ENDING	Dec. 31 2007	Sept. 30 2007	June 30 2007	Mar. 31 2007	Dec. 31 2006	Sept. 30 2006	June 30 2006	Mar. 31 2006
Loss for the period	$(192,723)	$(538,972)	$(104,255)	$ (79,381)	$ (46,559)	$ (33,060)	$(72,464)	$(59,078)
Earnings (Loss) Per Share	$ (0.01)	$ (0.02)	$ (0.00)	$ 0.00	$ 0.00	$ 0.00	$(0.04)	$ 0.00

The loss for the first quarter 2008 is $192,723 compared to a loss of $46,559 for the first quarter 2007. The majority of this difference is attributable to stock-based compensation in the current period of $121,750 with no corresponding charge in the first quarter 2007.

LIQUIDITY AND CAPITAL RESOURCES

Working capital has increased to a deficiency of $19,364 at December 31, 2007 from a deficiency of $29,679 at September 30, 2007. The Company's working capital situation has been fairly stable and has been determined by its ability to offset expenses against gains obtained through the continued divestment of investments. During the year ended September 30, 2007, the Company was successful in raising capital through private placement financings and the sale of investments. In June 2007, the Company completed a non-brokered private placement of 288,000 flow-through shares at a price of $0.25 per share and 2,825,000 non flow-through units at a price of $0.20 per unit for gross proceeds of $637,000. Each non flow-through unit is comprised of one common share and one common share purchase warrant entitling the holder to purchase one additional common share at a price of $0.25 for a period of two years.

Other than option payments and its participation in the Magnacon Joint Venture, Windarra has no ongoing property commitments. There is a bill in dispute with respect to the Magnacon Joint Venture in the approximate amount of $340,000. This matter is described more fully under "Magnacon Joint Venture Properties" in this report.

TRANSACTIONS WITH RELATED PARTIES

The Company entered into the following transactions with related parties during the period ended December 31, 2007:

a) paid or accrued corporate and administration fees of $10,069 to Susan Tessman, Corporate Secretary of the Company;
b) paid or accrued management fees of $15,750 to John Pallot, President of the Company;
c) paid or accrued geological consulting fees included in mineral property and exploration costs of $1,456 to Charlie Greig, a director of the Company.

Included in accounts payable at September 30, 2007 is $2,124 owing to officers and directors of Company.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's Chief Executive Officer and Chief Financial Officer (the "Certifying Officers") are responsible for the establishment and maintenance of a system of disclosure controls and procedures. This system is designed to provide reasonable assurance that information required to be disclosed by the Company under various securities legislation or the rules of regulatory agencies is appropriately reported within the time periods specified.

The Certifying Officers evaluate the system periodically throughout the year. They have concluded that the Company's disclosure controls are effective in providing reasonable assurance that material information relating to the Company is accumulated, reviewed by management and reported within the time periods specified.

The Certifying Officers are also responsible for the establishment of a system of internal controls over financial reporting. This system is designed to provide reasonable assurance regarding the reliability and timeliness of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principals.

Ultimate responsibility for financial reporting rests with the Board of Directors. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and is composed of a majority of independent outside directors. It meets periodically with management and the external auditors to review accounting, auditing and internal control matters and regularly reports its findings and recommendations to the Board of Directors.

OUTSTANDING SHARE DATA

As at December 31, 2007 the Company had 30,299,909 shares outstanding. Subsequent to the period end, the company issued 400,000 shares pursuant to its acquisition agreement for the Mishi leases.

During the first quarter, the Company granted 975,000 options exercisable at $0.15 for a period of three years. Also, 100,000 options exercisable at $0.32 expired. Westward granted 875,000 stock options exercisable at $0.10 per share for a period of 3 years. At December 31, 2007, the Company had the following stock options outstanding:

Date of Grant	Amount	Exercise Price	Expiry Date	Type
May 2, 2005	200,000	$0.20	May 2, 2008	Director
June 8, 2005	200,000	$0.23	June 8, 2008	Director
Nov. 2, 2007	950,000	$0.15	Nov. 2, 2010	Director
Nov. 13, 2007	25,000	$0.15	Nov. 13, 2010	Consultant
TOTAL	**1,375,000**			

At the end of the period, the Company had the following warrants outstanding:

Number of Warrants	Number of Shares	Exercise Price	Expiry Date
2,825,000	2,825,000	$0.25	June 5, 2009
TOTAL	**2,825,000**		

ADDITIONAL INFORMATION

Additional information on Windarra Minerals Ltd. can be found by visiting the Company's website at www.windarra.com and by viewing regulatory filings on SEDAR at www.sedar.com.

ADDITIONAL INFORMATION FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE:

FIRST QUARTER STATEMENT OF OPERATIONS

	Three Months Ended December 31 2007	2006
EXPENSES		
Amortization	$ 258	$ 255
Corporate and administration fees	10,069	9,470
Management and financial fees	17,697	11,875
Office and miscellaneous	4,582	6,188
Professional fees	450	2,400
Public relations	3,018	4,180
Regulatory fees and transfer agent fees	2,730	2,927
Rent	7,186	6,576
Stock-based compensation	121,750	-
Travel and related costs	1,369	262
		-
Loss before other items	(169,109)	(44,133)
OTHER ITEMS		
Interest income	1,236	98
Unrealized loss on marketable securities	-	(1,859)
Reversal of unrealized gain on marketable securities	(24,850)	(44,400)
Gain on sale of marketable securities (Note 6)	-	43,735
	(23,614)	(2,426)
Loss for the period	$ (192,723)	$ (46,559)

During the quarter, the Company did not work on the Magnacon Claims as there is a dispute with the operator. It is hoped this dispute can be resolved (see note 4 to the financial statements)

SCHEDULE OF SHARE CAPITAL
As at the date of this Management Discussion & Analysis

Common Shares outstanding	30,699,909
Options outstanding	1,375,000
Warrants outstanding	2,825,000
Fully diluted share capital	34,899,909

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

"John Pallot"
President and Chief Executive Officer

WINDARRA MINERALS LTD.
CONSOLIDATED BALANCE SHEETS
Unaudited
Prepared by Management

	December 31 2007	September 30 2007
ASSETS		
Current		
Cash	$ 155,784	$ 196,086
Receivables	6,484	22,600
Prepaid expenses	2,400	2,400
	164,668	221,086
Equipment (Note 3)	3,854	2,775
Mineral properties & deferred exploration costs (Note 4)	862,591	860,750
Investment in partnership (Note 5)	100	100
Marketable securities (Note 6)	63,896	88,746
	$ 1,095,109	$ 1,173,457
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities	$ 54,032	$ 61,407
Current portion of income taxes payable and other	130,000	130,000
	184,032	191,407
Income taxes payable and other (Note 8)	829,806	829,806
	1,013,838	1,021,213
Shareholders' equity (deficiency)		
Capital stock (Note 9)	23,048,986	23,048,986
Contributed surplus (Note 9)	294,373	172,623
Deficit	(23,262,088)	(23,069,365)
	81,271	152,244
	$ 1,095,109	$ 1,173,457

Nature and continuance of operations (Note 1)
Contingency (Note 14)

On behalf of the Board:

"John Pallot" ______________________ Director

"Gary McDonald" ______________________ Director

The accompanying notes are an integral part of these consolidated financial statements.

WINDARRA MINERALS LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
THREE MONTHS ENDED DECEMBER 31
Unaudited
Prepared by Management

	2007	2006
EXPENSES		
Amortization	$ 258	$ 255
Corporate and administration fees	10,069	9,470
Management and financial fees	17,697	11,875
Office and miscellaneous	4,582	6,188
Professional fees	450	2,400
Public relations	3,018	4,180
Regulatory fees and transfer agent fees	2,730	2,927
Rent	7,186	6,576
Stock-based compensation	121,750	-
Travel and related costs	1,369	262
Loss before other items	(169,109)	(44,133)
OTHER ITEMS		
Interest income	1,236	98
Unrealized loss on marketable securities	-	(1,859)
Reversal of unrealized gain on marketable securities	(24,850)	(44,400)
Gain on sale of marketable securities (Note 6)	-	43,735
	(23,614)	(2,426)
Loss for the period	(192,723)	(46,559)
Deficit, beginning of period	(23,069,365)	(22,617,196)
Fair value adjustment on marketable securities (Note 2)	-	234,998
	(23,069,365)	(22,382,198)
Deficit, end of period	$ (23,262,088)	$ (22,428,757)
Basic and diluted loss per common share	$ (0.01)	$ (0.00)
Weighted average number of common shares outstanding during the period	27,331,588	26,121,909

The accompanying notes are an integral part of these consolidated financial statements.

WINDARRA MINERALS LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED DECEMBER 31
Unaudited
Prepared by Management

		2007		2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	$	(192,723)	$	(46,559)
Items not affecting cash:				
Amortization		258		255
Stock-based compensation		121,750		-
Unrealized loss on marketable securities		-		1,859
Reversal of unrealized gain on marketable securities		24,850		44,400
Gain on sale of marketable securities		-		(43,735)
Changes in non-cash working capital items:				
(Increase) decrease in receivables		16,116		30,517
Decrease in prepaid expenses		-		(8,178)
Increase (decrease) in accounts payable and accrued liabilities		(6,274)		(3,330)
Net cash used in operating activities		(36,023)		(24,771)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of equipment		(1,338)		-
Mineral properties and deferred exploration costs		(2,941)		(28,503)
Proceeds from sale of marketable securities		-		53,635
Net cash used in investing activities		(4,279)		25,132
Change in cash during the period		(40,302)		361
Cash, beginning of period		196,086		10,413
Cash, end of period	$	155,784	$	10,774

Supplemental disclosure with respect to cash flows (Note 12)

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the laws of British Columbia and its principal business activities include the acquisition and exploration of mineral properties.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production. The Company is considered to be in the exploration stage as it has not yet earned significant revenues.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing, to commence profitable operations in the future and to fulfill the provisions of subsidiary company's bankruptcy proposal approved by the courts. (See Note 8.)

These financial statements do not reflect adjustments that would be necessary if the going concern assumptions were not appropriate.

2. BASIS OF PRESENTATION

These unaudited interim financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles. All financial summaries included are presented on a comparative and consistent basis showing the figures for the corresponding period in the preceding year or the preceding period. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual financial statements. Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles has been condensed or omitted. These interim period statements should be read together with the audited financial statements and the accompanying notes included in the Company's audited financial statements as at and for the year ended September 30, 2007. In the opinion of the Company, its unaudited interim financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented.

2. BASIS OF PRESENTATION (cont'd)

Financial instruments

Effective October 1, 2006, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants (CICA) under CICA Handbook Section 1530, Comprehensive Income, Section 3251, Equity, Section 3855, Financial Instruments – Recognition and Measurement, Section 3861 Financial Instruments – Disclosure and Presentation and Section 3865, Hedges. These new Handbook Sections, which apply to fiscal years beginning on or after October 1, 2006, provide requirements for the recognition and measurement of financial instruments and on the use of hedge accounting. Section 1530 establishes standards for reporting and presenting comprehensive income which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income but that are excluded from net income calculated in accordance with generally accepted accounting principles.

Under Section 3855, all financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measures in the balance sheet either at fair value except for loans and receivables, held-to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired.

2. BASIS OF PRESENTATION (cont'd)

As a result of the adoption of these new standards, the Company has classified its marketable securities as held-for-trading. Receivables are classified as loans and receivables. Accounts payable and accrued liabilities are classified as other liabilities, which are measured at amortized cost.

As a result of the application of Section 3855, the Company's deficit position as at October 1, 2006 was reduced by $234,998 to reflect the opening fair value of marketable securities.

3. EQUIPMENT

	December 31 2007			September 30 2007		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Office equipment	$ 14,952	$ 11,098	$ 3,854	$ 13,615	$ 10,840	$ 2,775

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

	December 31, 2007		
	Pukaskwa Claims, Ontario	Magnacon Claims, Ontario	Total
Balance, beginning of period	$ 860,749	$ 1	$ 860,750
Additions during the period			
Acquisition	-	-	-
Assay costs	385	-	385
Camp costs	-	-	-
Drilling	-	-	-
Equipment	-	-	-
Geology	1,456	-	1,456
Equipment rental	-	-	-
Travel and helicopter	-	-	-
	1,841	-	1,841
Balance, end of period	$ 862,590	$ 1	$ 862,591

	September 30, 2007		
	Pukaskwa Claims, Ontario	Magnacon Claims, Ontario	Total
Balance, beginning of year	$ 573,530	$ 405,786	$ 979,316
Additions during the year			
Acquisition	22,500	-	22,500
Assay costs	16,227	-	16,227
Camp costs	17,169	-	17,169
Drilling	64,165	-	64,165
Equipment	2,217	-	2,217
Geology	76,190	-	76,190
Equipment rental	4,462	-	4,462
Travel and helicopter	84,289	-	84,289
	287,219	-	287,219
Write-down of mineral property	-	(405,785)	(405,785)
Balance, end of year	$ 860,749	$ 1	$ 860,750

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (cont'd)

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

Magnacon Claims, Ontario

The Company holds a 25% interest in certain freehold patented and leasehold patented claims situated in the Sault Ste. Marie Mining Division, Ontario. The operator on the claims has advised the Company that the Company's interest in these mineral claims has been diluted to 22.2% as a result of non-payment of the Company's share of exploration expenditures since January 1, 2004, in an amount of approximately $340,000, an amount for which no provision has been made in the accounts of the Company as at December 31, 2007. The Company has advised the operator that it disputes this claim on the basis that the exploration costs pertain to a work program that the Company has not approved (Note 15). At September 30, 2007, the Company wrote down its interest in these claims to a nominal value.

Magnacon East Block Claims, Ontario

The Company holds a 25% interest in certain claims in the Sault Ste. Marie Mining Division, Ontario. The Company previously wrote-down related mineral property and deferred exploration costs to a nominal value. The Company has not been required to contribute to field geology and surface drilling costs incurred during the year ended December 31, 2007, but may be required to contribute its proportionate share of the expenses in future work programs. At September 30, 2007, the Company wrote down its interest in these claims to a nominal value.

Pukaskwa Claims, Ontario

During the year ended September 30, 2004, the Company entered into an option agreement with Messina Minerals Inc. ("Messina"), a company related by way of common directors, to acquire a 100% interest in certain mineral claims in the Sault Ste. Marie Mining Division, Ontario. The Company has issued a total of 350,000 (2006 – 225,000) common shares at a value of $67,875 (2006 - $45,375). During the year ended September 30, 2007, the Company satisfied all of the requirements of the Pukaskwa Property Agreement and exercised the option and earned 100% interest in the property from Messina.

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (cont'd)

Tulks South, Newfoundland

During the year ended September 30, 2002, the Company, pursuant to an assignment agreement, was granted a 2% net smelter returns royalty on Messina's share of production from the Tulks South massive sulphide property in Newfoundland. Messina has the right to buy back the Company's royalty at any time prior to commercial production for $2,000,000.

5. INVESTMENT IN PARTNERSHIP

During the year ended September 30, 2003, the Company, with two other companies, formed a general partnership which acquired an interest in the 1999 Investment Co. Limited Partnership, an Alberta limited partnership.

No cash distributions were received by the Company in the period ended December 31, 2007 nor in the year ended September 30, 2007.

6. MARKETABLE SECURITIES

Marketable securities consist of shares in publicly traded companies at market price as published in the TSX daily market summary. See Change of Accounting Policy – Note 2.

	December 31 2007	September 30 2007
Fair value	$ 63,896	$ 88,746
Cost	$ 25,105	$ 25,105

Included in marketable securities at December 31, 2007 are 105,042 (September 30, 2007 - 105,042) shares of Messina with a market value of $56,723 (September 30, 2007 - $79,832).

7. PAYABLE TO CANADA REVENUE AGENCY

Westward's 1995 corporate income tax return was reassessed in May 2000 and the Company filed notice of appeal with the Tax Court of Canada at that time. The appeal was partially allowed, and a judgment received from the Court in February 2006. As a result of this judgment, Westward has a liability representing taxes, accrued interest and a portion of the CRA legal costs of $999,434. Interest has been calculated at the CRA prescribed interest rate. This amount was included in the bankruptcy proposal filed by Westward and is included in income taxes payable and other at December 31, 2007. (See Note 8.)

8. INCOME TAXES PAYABLE AND OTHER

Westward filed a Notice of Intention to Make a Proposal pursuant to provisions of the Bankruptcy and Insolvency Act in October 2006. In March 2007, the Westward obtained approval from the courts of an amended proposal whereby claims of CRA and certain other creditors carried in the accounts at $1,122,306 will be discharged by payments totalling $812,500 paid out as follows:

a) $12.500 upon filing of the proposal (paid);
b) $150,000 no later than thirty days from implementation date (paid);
c) 130,000 no later than March 31, 2008;
d) 130,000 no later than March 31, 2009;
e) 130,000 no later than March 31, 2010;
f) 130,000 no later than March 31, 2011;
g) 130,000 no later than March 31, 2012.

At December 31, 2007 and September 30, 2007, the remaining amount owing is shown on the balance sheet as follows:

Income taxes payable and other	$	829,806
Current portion		130,000
	$	959,806

When the payments required under the Proposal are complete, the remaining balance will be written off to operations. In the event that all payments are not made, interest will be charged from the approval date forward.

9. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Amount	Contributed Surplus
		$	$
Authorized			
Unlimited common shares without par value			
Issued			
Balance at September 30, 2006	26,121,909	22,351,051	202,743
Issued for property acquisition	125,000	22,500	-
Issued for cash	4,053,000	731,000	-
Offering costs	-	(3,685)	-
Transfer fair value of options exercised	-	30,120	(30,120)
Tax benefits renounced to flow-through subscribers	-	(82,000)	-
Balance at September 30, 2007	30,299,909	23,048,986	172,623
Fair value of options granted	-	-	121,750
Balance at December 31, 2007	30,299,909	23,048,986	294,373

During the year ended September 30, 2007, the Company completed a private placement as follows:

- June 6, 2007 – issued 2,825,000 non flow-through units at a price of $0.20 per unit and 288,000 flow-through shares at a price of $0.25 per share for total proceeds of $637,000. Each non flow-through unit consists of one common share and one common share purchase warrant entitling the holder to purchase one additional common share at a price of $0.25 for a period of two years from closing.

During the year ended September 30, 2007, the Company issued 125,000 common shares to Messina as part of the Pukaskwa agreement (Note 4) at a value of $22,500. Also, during the year ended September 30, 2007, the Company issued 940,000 shares on exercise of options for total proceeds of $94,000.

9. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd)

At September 30, 2007, the Company had 2,825,000 share purchase warrants outstanding and exercisable at an average exercise price of $0.25 per share. Warrant transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, September 30, 2006	1,940,000	0.38
Warrants expired	(1,940,000)	0.38
Warrants issued	2,825,000	0.25
Balance, December 31 and September 30, 2007	2,825,000	$ 0.25

9. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd)

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

Following is a summary of stock options outstanding at December 31, 2007:

Number of Shares	Exercise Price	Expiry Date
200,000	$ 0.20	May 2, 2008
200,000	$ 0.23	June 8, 2008
950,000	$ 0.15	November, 2, 2010
25,000	$ 0.15	November 13, 2010
1,375,000		

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, September 30, 2006	1,440,000	$ 0.13
Options exercised	(940,000)	0.10
Balance, September 30, 2007	500,000	0.24
Options granted	975,000	0.15
Options expired	(100,000)	0.10
Balance, December 31, 2007	1,375,000	0.17
Number of options currently exercisable	1,375,000	$ 0.17

9. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd)

Stock-based compensation

During the period ended December 31, 2007, the Company granted 975,000 stock options which vested upon granting. Stock-based compensation expense using the Black-Scholes option pricing model was $78,000 which was also recorded as contributed surplus on the balance sheet. The weighted average fair value of the options granted was $0.08.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the year ended September 30, 2006:

Risk-free interest rate	4.18%
Expected life of options	3 years
Annualized volatility	75%
Dividend rate	0.00%

Westward granted 875,000 stock options during the period ended December 31, 2007 resulting in compensation expensed and contributed surplus of $43,750 which is reflected in the consolidated financial statements.

10. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the period ended December 31, 2007:

a) paid or accrued corporate and administration fees of $10,069 (2006 - $9470) to an officer of the Company;

b) paid or accrued management fees of $15,750 (2006 - $10,500) to an officer and director of the Company;

c) paid or accrued geological consulting fees included in mineral property and exploration costs of $1,456 (2006 - $3,871) to a director of the Company;

d) received and repaid a non-interest bearing loan during the period of $Nil (September 30, 2007 – $25,000) from a director and officer of the Company;

10. RELATED PARTY TRANSACTIONS (cont'd)

As at December 31, 2007, the Company held 105,042 (September 30, 2007 - 105,042) shares of Messina with a market value of $56,723 (September 30, 2007 - $79,832). As at December 31, 2007, the Company held 231 (September 30, 2007 – 231) common shares of Stingray with a market value of $173 (September 30, 2007 – $152).

Included in accounts payable at December 31, 2007 is $2,124 (September 30, 2007 - $2,036) owing to officers and directors of the Company.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

11. SEGMENTED INFORMATION

The Company primarily operates in Canada in one industry segment being the acquisition and exploration of mineral properties.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the year ended September 30, 2007, the Company had the following significant non-cash transactions:

a) accrued accounts payable of $1,100 (2006 – $22,600) relating to deferred exploration costs;

b) increased marketable securities by $234,998 with a corresponding reduction in the deficit by the same amount (See note 2);

c) reclassified income taxes payable and certain other trade payables from current liabilities to long-term pursuant to the accepted bankruptcy proposal (Note 8);

d) issued 125,000 (2006 – 100,000) common shares at a value of $22,500 (2006 - $24,500) to Messina as part of the Pukaskwa agreement (Note 4).

13. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, marketable securities, investment in partnership, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

14. CONTINGENCY

During the year ended September 30, 2005, the Company received notice from the operator of the joint venture on the Magnacon claims that the Company's interest in these claims has been diluted to 22.2% as a result of non-payment of the Company's share of exploration expenditures on the claims since January 1, 2004 in an amount of approximately $340,000 (Note 4). Management is of the opinion that the work program undertaken by the operator was not approved by the Company and, accordingly, it is management's opinion that dilution, if any, of the Company's interest in the claims will be less than that claimed by the operator. It is management's opinion that ultimate resolution of this matter cannot be determined at this time, therefore no dilution of the Company's interest has been reflected in these financial statements and no provision has been made in the accounts of the Company for any liability associated with unpaid exploration expenditures.

15. SUBSEQUENT EVENTS

In December 2007, the Company entered into an agreement subject to regulatory approval to acquire a 100% interest in two mining leases, as well as a royalty in respect to ore mined and milled from a third crown mining lease.

In consideration for this acquisition, the Company will issue an aggregate of 400,000 common shares of its capital stock to Messina Minerals Inc. and MacMillan Gold Corp. Regulatory approval was received in February of 2008.

CORPORATE DATA

FEBRUARY 2008

HEAD OFFICE

2300 - 1066 West Hastings St.
Vancouver, BC V6E 3X2
Tel: (604) 688-1508
Fax: (604) 601-8253
Website: www.windarra.com

SOLICITORS

Lee Tupper
Tupper Jonsson & Yeadon
1710-1177 W. Hastings St.
Vancouver, BC V6E 2L3

REGISTRAR & TRANSFER AGENT

Computershare Trust Company of Canada
3rd Floor, 510 Burrard Street
Vancouver, BC V6C 3B9

AUDITORS

Davidson & Company
1200 – 609 Granville Street
Vancouver, BC V7Y 1G6

DIRECTORS AND OFFICERS

John Pallot, President/Director
Gary McDonald, C.F.O./Director
Robert Fraser, Director
Charles Greig, Director
Susan Tessman, Corporate Secretary

INVESTOR CONTACTS

John Pallot
Tel: (604) 688-1508
Fax: (604) 601-8253
Email: jpallot@windarra.com

CAPITALIZATION

Authorized:	Unlimited
Issued:	30,699,909
Options:	1,375,000
Warrants:	2,825,000

LISTINGS

TSX Venture Exchange
Trading Symbol: WRA
Cusip No.: 973151 10 3

Form 52-109F2 – Certification of Interim Filings

I, John Pallot, President and CEO of Windarra Minerals Ltd., certify that:

1. I have reviewed the interim filings (as this term is identified in Multilateral Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings*) of Windarra Minerals Ltd., (the issuer) for the period ending December 31, 2007.

2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;

3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings;

4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:

    a) designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared;

    b) designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP; and

5. I have caused the issuer to disclose in the interim MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

February 29, 2008

"John Pallot"

____

John Pallot
President and CEO

Form 52-109F2 – Certification of Interim Filings

I, Gary McDonald, CFO of Windarra Minerals Ltd., certify that:

1. I have reviewed the interim filings (as this term is identified in Multilateral Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings*) of Windarra Minerals Ltd., (the issuer) for the period ending December 31, 2007.

2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;

3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings;

4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:

    a) designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared;

    b) designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP; and

5. I have caused the issuer to disclose in the interim MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

February 29, 2008

"Gary McDonald"

Gary McDonald
CFO