Quarterly Report
For the Nine Months Ended June 30, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED JUNE 30, 2013

August 22, 2013

This Management Discussion and Analysis ("MD&A") is provided for the purpose of reviewing the third quarter of fiscal 2013 and comparing results to the previous periods. The MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements and corresponding notes for the period ended June 30, 2013 and the audited financial statements for the year ended September 30, 2012.

The financial statements for the period ended June 30, 2013 and comparative periods presented therein have been reported in accordance with International Financial Reporting Standards ("IFRS"). All monetary amounts are expressed in Canadian dollars, being the Company's functional currency.

The Company began reporting in accordance with International Financial Reporting Standards ("IFRS") for its 2012 fiscal year with retroactive restatement of previous periods. As a result, accounting policies, presentation, financial statement captions and terminology used in this discussion and analysis may differ from those used in previous financial reporting.

FORWARD LOOKING STATEMENTS

All statements in this report that do not directly and exclusively relate to historical facts constitute forward-looking statements. These statements represent the Company's intentions, plans, expectations and beliefs and are subject to risks, uncertainties and other factors of which many are beyond its control. These factors could cause actual results to differ materially from such forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, as a result of new information, future events or otherwise.

COMPANY OVERVIEW AND OVERALL PERFORMANCE

On July 29th, 2013, the Company executed a definitive agreement (the "Agreement") pursuant to a previously announced letter of intent for the proposed acquisition by Wesdome Gold Mines Ltd. ("Wesdome") of all of the issued and outstanding common shares of Windarra (the "Windarra Shares") on the basis of one common share of Wesdome for each ten Windarra Shares held (the "Transaction"). The Agreement was negotiated at arm's length.

John Pallot, President, stated "We've been considering the combination of our assets in the Mishi camp for some time. In our opinion this ratio is historically relevant and fair. The combination of land with existing mining infrastructure, reserves and a mining team clearly makes a stronger regional asset base which we will all benefit from in the future."

The Transaction is to be completed by way of a share exchange and an amalgamation involving Wesdome, Windarra and a wholly-owned subsidiary of Wesdome. The Transaction will also be subject to: (i) requisite approval by the shareholders of Windarra and the appropriate regulatory bodies; (ii) all of the outstanding options and warrants to acquire Windarra Shares having been exercised or cancelled; and (iii) other standard closing conditions. Following completion of the Transaction, it is expected that Windarra will be a private company wholly-owned by Wesdome.

Based on the currently issued and outstanding Windarra Shares as of the date of this discussion, the number of Wesdome common shares to be issued as part of the consideration will be approximately four million shares, representing approximately 3.9% of Wesdome's currently issued and outstanding shares on a non-diluted basis.

The Transaction values Windarra's equity at approximately C$1.55 million on a non-diluted basis. Following completion of the Transaction, Windarra shareholders will own approximately 3.8% of Wesdome's outstanding common shares on a non-diluted basis, based on their current shareholdings in Windarra.

The Board of Directors of Windarra is unanimously recommending that Windarra shareholders vote in favour of the Transaction. In the course of its evaluation of the Transaction, the Windarra Board consulted with Windarra's senior management and legal counsel and reviewed an extensive amount of information. The conclusions and recommendations of the Windarra Board are based on a number of factors, including:

- the consideration under the Transaction represents a premium of 70% to both the closing share price and 30 day volume-weighted average closing price of the Windarra shares, respectively, as at July 16, 2013, the business day before the letter of intent dated July 17, 2013 between Wesdome and Windarra was publicly announced;
- the Transaction removes Windarra's need to complete new financing in a relatively adverse market environment for junior mining exploration companies;
- completion of the Transaction should result in increased liquidity for the Windarra shareholders, based upon the greater market capitalization of Wesdome on completion of the Transaction;
- Windarra shareholders will continue to participate in any increase in value in Windarra's assets and will also be able to participate in any increase in value in Wesdome's assets;
- the effective business combination of Wesdome and Windarra will provide savings in the administrative, auditing, legal and maintenance costs for the Windarra shareholders as these expenses will be lower for one entity rather than if the companies continued as separate entities, which savings could be expended on the development of the companies' respective properties;
- upon completion of the Transaction, Windarra shareholders will continue to have access to management with significant depth of executive experience in exploration, finance, resource conversion, project development and mining;

- the Windarra board concluded that none of the possible alternatives to the Transaction, including the possibility of continuing as an independent entity to continue to develop its assets, were superior to the Transaction, considering the perceived risks, timing and uncertainty of each such alternative after taking into account Windarra's imminent financing requirements and current market conditions.

The Windarra board also identified and considered a variety of issues regarding and risks related to the Transaction, including, but not limited to:

- as Windarra shareholders will receive Wesdome shares on a fixed exchange ratio, Wesdome shares received by Windarra shareholders under the Transaction may have a market value lower than expected;
- the risks to Windarra if the Transaction is not completed, including the costs to Windarra in pursuing the Transaction and the further diversion of Windarra's management from the conduct of Windarra's business in the ordinary course;
- the conditions to Wesdome's obligations to complete the Transaction, including that holders of no more than 5% of the issued and outstanding Windarra shares shall have exercised dissent rights;
- the termination fee payable to Wesdome in certain circumstances, including if Windarra enters into an agreement in respect of a superior proposal to acquire Windarra; and
- the business, operations, assets, financial performance and condition, operating results and prospects of Wesdome, including the long-term expectations regarding Wesdome's operating performance.

Directors and officers of Windarra, as well as certain of its shareholders, have entered into voting support agreements with Windarra pursuant to which each such party has agreed to vote in favour of the Transaction. Such locked-up Windarra Shares represent approximately 32% of the issued and outstanding Windarra Shares on a non-diluted basis.

The terms and conditions of the Agreement will be disclosed in more detail in Windarra's management information circular, which is expected to be filed and mailed to Windarra shareholders on August 27, 2013.

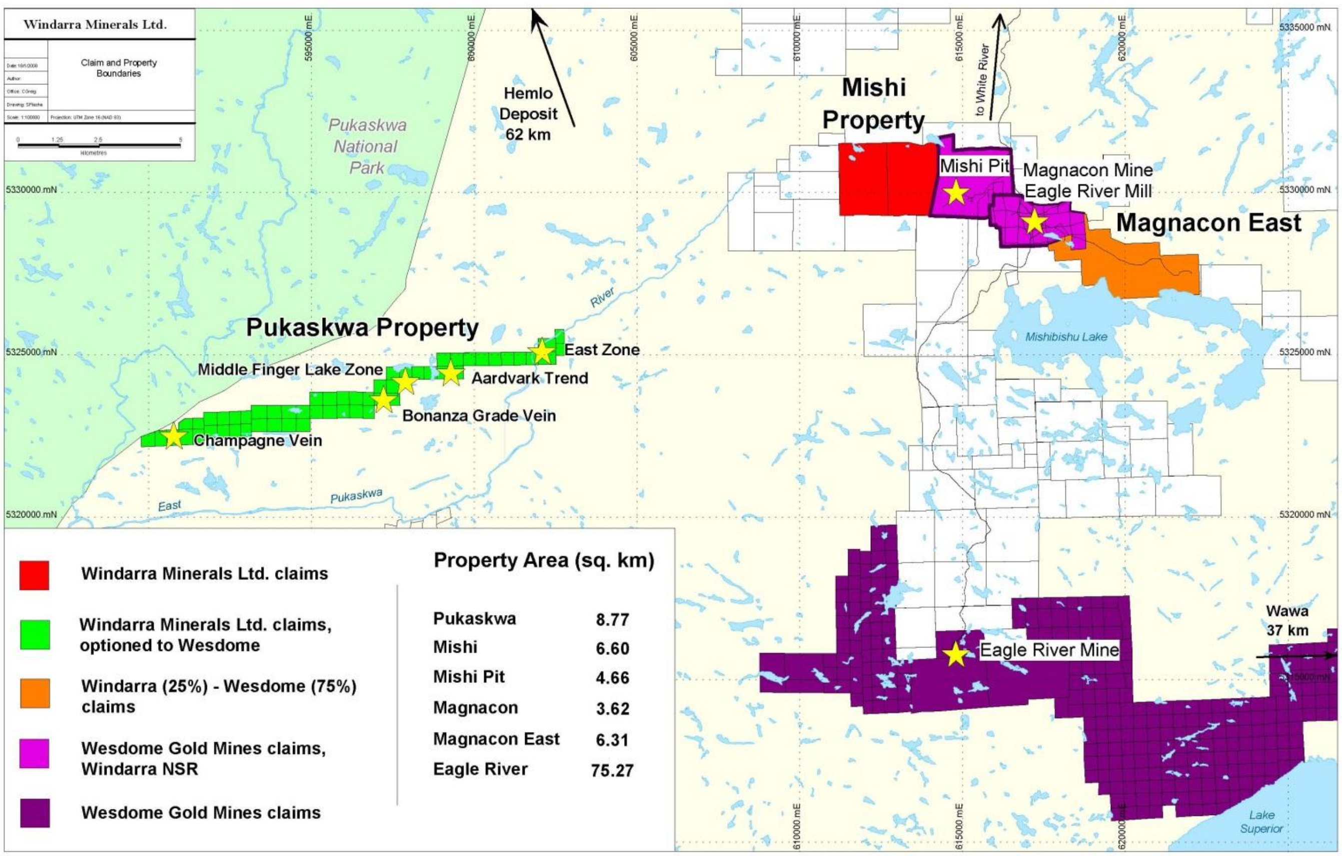
Details regarding these and other terms of the Transaction are set out in the Agreement, which is available on SEDAR at www.sedar.com

Financial

The Company's operating loss for the period ended June 30, 2013 was $128,850 (2012 – $153,306) as operating costs have remained stable. On May 24, 2013, the Company closed a private placement financing by the issuance of 3,300,000 units at $0.035 per unit, each unit consisting of one common share and one share purchase warrant, each warrant exercisable at $0.05 for one year and at $0.10 for a further four years to purchase an additional common share.

RESULTS OF OPERATIONS

During the period ended June 30, 2013, the Company incurred $2,555 (September 30, 2012 – $122,921) in expenditures on its Mishi property.



Mishi Leases and Mishi Open Pit

The Company owns a 100% interest in the two mining leases known as the Mishi Leases, as well as a royalty in respect to ore mined and milled from a third crown mining lease. Like the Pukaskwa property, the leases are located in the Sault Ste. Marie Mining Division, and in this case they are contiguous to the west with the lease on which Wesdome Gold Mines' Mishi Open Pit is located. The royalty interest provides for payment to the Company of $1.00 per tonne for milled ore extracted from open pit mining and $2.00 per tonne for milled ore mined from underground in excess of a cumulative total of 700,000 tonnes milled.

The Mishi deposit, which lies less than one km east of the boundary with the Mishi Leases, and only two kilometres west of Wesdome's Eagle River/Magnacon mill, has produced over 15,000 ounces of gold from over 135,000 tonnes of milled open pit ore at a recovered grade of 3.57 g/t Au. Because Wesdome's Mishi deposit lies only a short distance east of Windarra's Mishi Leases, and because the geology and mineralization bear strong similarities to that of the Mishi deposit, the "deposit model" employed by Windarra in exploring the leases is quite naturally based on the characteristics of Wesdome's Mishi deposit. Gold mineralization on the Mishi Leases is found in stacked, foliation-parallel alteration zones of silica and sericite that host centimeter- to decimeter-scale quartz veins with small amounts of pyrite, pyrrhotite and rare arsenopyrite. The predominant host rocks are schistose and locally sheared metasedimentary rocks and mafic to intermediate tuff that are metamorphosed to greenschist facies and are locally cut by post-mineral diabase dykes.

In 2011, Wesdome announced a significant upgrade in the estimated resources for the Mishi deposit, and in 2012, Wesdome once again began mining from the Mishi Pit. Their National Instrument ("NI")43-101 compliant resource estimate details Measured and Indicated Resources which total 5.7 million tonnes at 2.4 g/t Au, for a total of 438,000 ounces (at a 1.0 g/t Au cut-off) that are contained in eight easterly-plunging ore lenses. Ninety percent of the resources are shallow and therefore open-pittable, with planned open pits reaching depths of 110 metres. Additional Inferred Resources total 1.2 million tonnes at 3.6 g/t Au for another 140,000 contained ounces. Late in 2011, Wesdome issued a press release for diamond drilling on the Mishi deposit which was outside and to the west of this resource, toward and very close to the boundary of Windarra's leases. The release noted that at least two zones displayed good grades and reasonable continuity, indicating that there is excellent potential to expand the Mishi Pit resource in that direction. Previous work along this trend on Windarra's side of the boundary has yielded a number of good gold intersections, and the Company is considering further work in that area. A further Wesdome press release, dated late in 2012, describes the similarly excellent potential east of the Pit resource, notes the continuity of mineralization at Mishi along a strike extent in excess of 1.0 km, and it highlights the potential for the Mishi to become a "much larger producer."

Like the Mishi deposit, the Mishi Leases lie astride a flexure in the regional "Mishibishu deformation zone," which parallels a contact between mafic volcanic and sedimentary rocks. At the Mishi deposit, mineralization occurs mainly as disseminated pyrite in sericitic alteration zones, sometimes accompanied by smokey quartz veinlets. Mineralization of a similar style on the Mishi Leases has yielded significant results in a number of areas, both in diamond drillholes and in trenches, and would be best characterized geophysically by IP chargeability highs.

A drill program was undertaken on the property early in 2011, and the drilling, which totaled 3,112 meters in 25 holes, was completed in April of that year. The drilling intersected bulk tonnage-style gold mineralization similar to that at the Mishi Pit (see News Release dated June 2, 2011 for significant intersections). Two of the more significant intercepts were 32.0 m averaging 1.03 g/t Au, which includes 12.4 m at 2.29 g/t Au (hole M11-13), and 20.1 m averaging 1.03 g/t Au (hole M11-18). These intersections were from widely separate zones, with the former representing a new discovery. The latter intersection was from the KK Zone, which has yielded a considerable number of significant intersections from previous drilling and channel sampling, and the KK zone shows excellent potential for development of a sizeable tonnage of mineralized material.

Drill targets for the 2011 program were located in four areas within the 3 km long Mishi Leases property. The targets were based in part on encouraging results returned from geophysical and soil geochemical surveys completed in late 2010 (see News Release dated Feb. 9, 2011). Other targets were outlined from a compilation of exploration results, largely from the 1980's and 1990's, in which approximately 40 holes were drilled across the property. The earlier programs returned very encouraging results, including drill intercepts and trench channel samples of both narrower high-grade mineralization and broad lower-grade “bulk-mineable”-style mineralized material.

The most encouraging results from the 2011 drilling were from holes M11-18 to 25, which targeted mineralization in the KK Zone on the western part of the property (see Mishi Drill Results Figures 1 and 2 on the Company’s website). The KK Zone had been drilled previously and 2011 drilling was designed to test continuity of mineralization along trend and down-dip. All eight holes intersected multiple zones of gold mineralization, with the most significant intervals being: 1.03 g/t Au over 20.1 m (hole M11-18), 0.77 g/t Au over 12.0 m (hole M11-20), 0.54 g/t Au over 20.9 m (hole M11-22), and 0.61 g/t Au over 20.6 m (hole M11-25). The results of drilling at the KK zone demonstrate that mineralization is continuous across broad widths and they have confirmed the near surface bulk-tonnage potential of the zone, which remains open both down-dip and along strike.

Drilling in the central part of the property yielded significant assays in hole M11-17 (Mishi Drill Plan Figure 1 on the Company’s website), which returned 2.96 g/t Au across 5.8 m from a zone that correlates well with a previous drill intersection 50 m to the northeast which averaged 2.49 g/t Au across 10.4 m. Farther east, hole M11-13 was drilled beneath a trench across mineralization, intersecting a zone that averaged 1.03 g/t Au over an impressive 32.0 m and containing a higher grade section that assayed 2.29 g/t Au over 12.4 m. This new zone remains open in both directions along trend as well as down-dip.

Following the success of the drill program early in the year, the Company decided to undertake a further soil geochemical trend to confirm a number of partially-defined trends in the soil geochemistry outlined on the property in a program run in the fall of 2011. Over 1,300 samples were collected in October and early November of 2011, and the 2010-11 soil geochemical database for the property now includes over 2,500 samples, mainly collected on 25 meter centers and on lines spaced 50 meters apart. The most highly anomalous samples (mainly in gold and arsenic) nicely outline the zones which have yielded the best intersections to date, and along with the IP, resistivity, and magnetometer data collected in 2010, they highlight a number of excellent targets which remain untested.

Pukaskwa Claims, Ontario

The Pukaskwa property is located 50 kilometres west of Wawa, Ontario, less than 20 km northwest of Wesdome Gold Mines Ltd.'s ("Wesdome") 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 two highly prospective properties in which Windarra holds an interest. These are the Mishi leases (100% owned, see above) and the Magnacon East joint venture property (25% Windarra, 75% Wesdome), which lie on either side of Wesdome's Mishi-Magnacon complex. 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 mines at Hemlo have produced over 20 million ounces of gold from a single deposit since discovery, and Hemlo is located only 80 kilometers north of the Pukaskwa property. Following significant exploration efforts in the 1980's and 1990's, when a host of gold occurrences were discovered, including the Champagne Vein and West Aardvark, little work was undertaken on the Pukaskwa property. In the fall of 2004, however, 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.

Subsequent to the discovery of the Bonanza-Grade zone, Windarra's work, including a small drill program in 2007, led to a decision by Wesdome to option the Pukaskwa property in 2009. Wesdome undertook a 26 hole, 4,100 meter drill program on the property in the winter of 2009/2010. The purpose of the drilling was to examine the size potential and continuity of the Middle Finger Lake Zone ("MFLZ") and the Bonanza Showing. A total of 20 holes on 3 sections spaced 50m apart traced the MFLZ down-dip and down-plunge at 25m intervals to a depth of 250m. Although mineralization typical of the zone nearer to surface was intersected, the grades and widths proved sub-economic. Drilling results did not demonstrate reasonable continuity of the strong grades and widths identified by previous shallow drilling above depths of 50m. In addition, a total of 6 holes tested the Bonanza Showing down-dip and down-plunge of the high grade surface showing. The holes followed the projection of the zone at 25m centres to a depth of 175m. The narrow quartz vein carrying coarse free gold at surface was not encountered in the drill holes. Wesdome has been compiling historic work on the Champagne Vein, but has not announced any further exploration plans at this time, and no final decision on the Pukaskwa option has yet been taken. The Company had an option agreement with Wesdome whereby Wesdome could earn a 60% interest in the property by incurring mineral exploration expenditures of $3.0 million prior to June 30, 2014. However, Wesdome has indicated that it will not proceed with the exploration expenditures and the option agreement will not be pursued. The claims remain in good standing, however, as there are no current exploration plans, the Company wrote down the claims to $1 at September 30, 2012.

Magnacon Area, Ontario

Magnacon East Block Claims, Ontario

The Company holds a 25% interest in certain claims in the Magnacon East Property in the Sault Ste. Marie mining division, Ontario. These claims are carried in the accounts at a nominal value of $1.

Magnacon Royalty Interest, Ontario

The Company has a 1% net smelter returns royalty ("NSR") on production from certain mineral claims owned by Wesdome Gold Mines Ltd. ("Wesdome") in the Sault Ste. Marie mining division of Ontario.

Milling Rights - Magnacon

The Company is entitled to have Wesdome mill up to 50,000 tonnes annually of its ore from any source at a cost equal to the production cost of such milling plus $2.00 per tonne of ore milled.

Little Deer Lake Claims, Saskatchewan

During the year ended September 30, 2008, the Company purchased a 20% interest in certain mineral claims in the La Ronge Mining Division, Saskatchewan from its former subsidiary Westward Explorations Ltd. as part of the sale of the Westward shares. These claims are carried in the accounts at a nominal value of $1. During the year ended September 30, 2012, the Company purchased Cameco Corporation's ("Cameco") 50% interest in the 1,403 ha Little Deer Lake property, for $25,000. This increased Windarra's interest in the property to 70%, while AREVA Resources Canada Inc. and Cameco each retained a 15% interest. During fiscal 2012, the Company completed the purchase of the remaining 30% interest for $15,000, giving it 100% ownership in the property.

The property lies within the southern La Ronge gold belt of northern Saskatchewan, approximately 60 kilometres north of the town of La Ronge, along Highway 102. It also lies next to the past-producing Contact Lake mine, which was owned by Cameco Corporation and Uranerz Exploration and Mining Limited. The mine opened in January 1995 with published reserves of 499,000 ounces of gold, but was closed in 1997 after production of only 190,000 ounces. The Little Deer Lake project saw considerable exploration work by Cameco and Windarra dating back to 1979 and the Company believes that significant untested exploration potential remains. Testaments to this are the exciting results obtained recently on a number of nearby projects in the belt, including those worked by Masuparia Gold Corporation and Golden Band Resources on their La Ronge Belt Joint Venture. In 2012, Windarra had its landholdings resurveyed.

Risk Factors

The Company is engaged in the acquisition of mineral properties and there is no assurance that an economic mineral deposit will ever be discovered and subsequently put into production. Most exploration projects do not result in the discovery of commercially mineable ore deposits. The Company will seek to counter these risks to the extent possible by selecting exploration areas on the basis of their recognized geological potential to host economic deposits.

SUMMARY OF QUARTERLY RESULTS

QUARTER ENDING	June 30 2013 $	Mar.31 2013 $	Dec. 31 2012 $	Sept. 30 2012 $	June 30 2012 $	Mar. 31 2012 $	Dec. 31 2011 $	Sept. 30 2011 $
Operating loss	(36,039)	(49,410)	(42,603)	(62,882)	(38,885)	(63,872)	(44,791)	(63,152)
Per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Loss and comprehensive loss for the quarter	(39,978)	(45,190)	(43,682)	(914,483)	(40,753)	(68,859)	(43,694)	(66,987)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.02)	(0.00)	(0.00)	(0.00)	(0.00)

Operating expenses for the third quarter of fiscal 2013 were comparable to the third quarter 2012. As well, the comprehensive loss for the third quarter of fiscal 2013 was comparable to the comprehensive loss for the third quarter of fiscal 2012.

LIQUIDITY AND CAPITAL RESOURCES

The Company had a working capital deficiency of $28,411 at June 30, 2013 as compared to $8,815 at September 30, 2012. During the current period, the Company secured a loan of $9,000 from a company in which an officer and director of the Company is a principal.

The Company has sufficient funds to cover essential administrative and regulatory costs in the near future. See Company Overview and Overall Performance above relating to the proposed acquisition by Wesdome.

In order to raise capital under the TSX Venture Exchange's temporary relief measures, the Company closed a non-brokered private placement on May 24, 2013, issuing 3,300,000 units at a price of $0.035 per unit for gross proceeds of $115,500. Each unit consists of one common share and one share purchase warrant, with each warrant entitling the holder thereof to purchase one additional common share of the Company for a period of 5 years, at a price of $0.05 during the first year and at $0.10 for the remaining four years.

Net proceeds from the Offering were used to settle current liabilities as well as for general working capital.

OFF BALANCE SHEET ARRANGEMENTS

The Company is not party to any off balance sheet arrangements.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in the financial statements and this MD&A is the responsibility of management. In the preparation of these statements estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

TRANSACTIONS WITH RELATED PARTIES

The Company entered into the following transactions with related parties during the period ended June 30, 2013:

a) paid or accrued corporate and administration fees of $24,300 to Susan Tessman, corporate secretary of the Company (2012 - $23,850);

b) paid or accrued management fees of $53,950 to John Pallot, president and director of the Company (2012 - $52,200);

c) paid or accrued fees for geological services and consulting of $350 (2012 - $50,994) to a company controlled by Charles Greig, a director of the Company, $350 (2012 - $50,994) of which is included in exploration and evaluation assets;

d) paid directors' fees in the amount of $Nil (2012 - $2,500), and,

e) received a loan in the amount of $9,000 from a company in which John Pallot, president of the Company, is a principal. The loan bears no interest and has no specific terms of repayment.

Included in accounts payable at June 30, 2013 is $49,660 (September 30, 2012 - $21,984) owing to officers and directors of the Company.

As at June 30, 2013 and September 30, 2012, the Company held 105,042 shares of Messina Minerals Inc., a company related by virtue of common directors, with a market value of $2,626 (September 30, 2012 - $3,151).

KEY MANAGEMENT COMPENSATION

The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were as follows:

	June 30	
	2013	**2012**
Management fees	$53,950	$ 52,200
Geological consulting fees	350	79,420
	$54,300	$ 131,620

RECENT ACCOUNTING PRONOUNCEMENTS

IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". This new standard is effective for annual periods beginning on or after January 1, 2013.

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the consolidated financial statements.

IFRS 10 Consolidated Financial Statements

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation - Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11 Joint Arrangements

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities - Non-monetary Contributions by Venturers.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, marketable securities, and 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.

Fair Values

The fair value of cash and marketable securities is determined using level one of the fair value hierarchy. The fair values of receivables and accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments. Using level one of the fair value hierarchy, marketable securities are adjusted to quoted market value at each reporting period.

(a) *Financial Risk Management*

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

(b) *Financial Instrument Risk Exposure*

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Credit Risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's receivables consist primarily of sales tax receivables due from federal government agencies.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. At June 30, 2013, the Company had a working capital deficiency of $28,411. On July 29th, it executed an agreement for the proposed acquisition by Wesdome as outlined in this Management Discussion and Analysis under Company Overview and Overall Performance.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

OUTSTANDING SHARE DATA

As at June 30, 2013, the Company had 40,147,409 common shares outstanding. During the period, the Company closed a private placement financing by the issuance of 3,300,000 units at $0.035 per unit, each unit consisting of one common share and one share purchase warrant. Each warrant is exercisable at $0.05 into one common share for one year and at $0.10 for a further four years. At June 30, 2013, these warrants are outstanding and subject to a hold period which expires September 25, 2013.

At June 30, 2013, the Company had the following stock options outstanding:

Date of Grant	Amount	Exercise Price	Expiry Date	Type
Dec 29, 2010	1,475,000	$0.18	Dec. 29, 2015	Directors/Officers/Consultants
June 11, 2011	500,000	$0.18	June 10, 2016	Directors/Officers
TOTAL	**1,975,000**			

During the period, 300,000 options exercisable at $0.15 expired.

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:

Third Quarter Statement of Operations

	Three Months Ended June 30 2013	Three Months Ended June 30 2012
EXPENSES		
Amortization	$ 268	$ 505
Corporate and administration fees	8,100	7,950
Management and financial fees	19,325	20,296
Office and miscellaneous	1,806	4,278
Professional fees	2,446	-
Property investigation costs	-	600
Public relations	1,032	1,272
Regulatory fees and transfer agent fees	1,240	1,146
Rent	1,822	2,838
Operating loss	$ (36,039)	$ (38,885)

SCHEDULE OF SHARE CAPITAL

As at the date of this Management Discussion & Analysis

Common Shares outstanding	40,147,409
Options outstanding	1,975,000
Warrants outstanding	3,300,000
Fully diluted share capital	45,422,409

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.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
Unaudited – Prepared by Management
Expressed in Canadian Dollars

	June 30 2013	September 30 2012
ASSETS		
Current		
Cash	$ 50,490	$ 39,901
Receivables (Note 4)	2,601	5,455
Prepaid expenses	963	1,300
Marketable securities (Note 5)	3,135	3,933
	57,189	50,589
Equipment (Note 6)	1,425	2,228
Exploration and evaluation assets (Note 7)	1,157,817	1,155,262
	$ 1,216,431	$ 1,208,079
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 8)	$ 76,600	$ 59,404
Loan payable (Note 9)	9,000	-
	85,600	59,404
Shareholders' Equity		
Share capital (Note 10)	23,971,513	23,860,507
Reserves (Note 10)	242,000	257,600
Deficit	(23,082,682)	(22,969,432)
	1,130,831	1,148,675
	$ 1,216,431	$ 1,208,079

Nature of operations and going concern (Note 1)
Subsequent event (Note 16)

On behalf of the Board:

"John Pallot" Director

"Gary McDonald" Director

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

WINDARRA MINERALS LTD.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
Unaudited – Prepared by Management
Expressed in Canadian Dollars

	Three Months Ended June 30 2013	Three Months Ended June 30 2012	Nine Months Ended June 30 2013	Nine Months Ended June 30 2012
EXPENSES				
Amortization	$ 268	$ 505	$ 803	$ 652
Corporate and administration fees	8,100	7,950	24,300	26,350
Management and financial fees	19,325	20,296	65,630	62,094
Office and miscellaneous	1,806	4,278	5,875	11,685
Professional fees	2,446	-	3,678	15,200
Property investigation costs	-	600	-	1,800
Public relations	1,032	1,272	3,306	6,500
Regulatory fees and transfer agent fees	1,240	1,146	17,038	16,592
Rent	1,822	2,838	6,655	6,675
Travel and related costs	-	-	767	-
Operating loss	(36,039)	(38,885)	(128,052)	(147,548)
Interest income	-	-	-	15
Unrealized loss on marketable securities (Note 5)	(3,939)	(1,868)	(798)	(5,773)
	(3,939)	(1,868)	(798)	(5,758)
Loss and comprehensive loss for the period	$ (39,978)	$ (40,753)	$ (128,850)	$ (153,306)
Basic and diluted earnings per common share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding during the period	38,189,167	36,847,409	37,294,662	36,847,409

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

Expressed in Canadian Dollars

	Common Shares Number	Common Shares $	Share-based Payments Reserve	Deficit	Total
Balance at October 1, 2011	36,847,409	$ 23,860,507	$ 255,800	$ (21,901,643)	$ 2,214,664
Share-based payments for services	-	-	1,800	-	1,800
Loss for the period	-	-	-	(153,306)	(153,306)
Balance at June 30, 2012	36,847,409	23,860,507	257,600	(22,054,949)	2,063,158
Loss for the period	-	-	-	(914,483)	(914,483)
Balance at September 30, 2012	36,847,409	23,860,507	257,600	(22,969,432)	1,148,675
Private placement	3,300,000	115,500	-	-	115,500
Share issue costs	-	(4,494)	-	-	(4,494)
Expiry of options	-	-	(15,600)	15,600	-
Loss for the period	-	-	-	(128,850)	(128,850)
Balance at June 30, 2013	40,147,409	$ 23,971,513	$ 242,000	$ (23,082,682)	$ 1,130,831

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

Expressed in Canadian Dollars

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (128,850)	$ (153,306)
Items not affecting cash:		
Amortization	803	652
Fair value of property investigation cost warrants	-	1,800
Unrealized loss (gain) on investments	798	5,773
Flow-through premium recognition	-	-
Deferred income tax recovery	-	-
Changes in non-cash working capital items:		
Decrease (increase) in receivables	2,854	25,752
Decrease (increase) in prepaid expenses and deposits	337	(946)
Increase in accounts payable and accrued liabilities	27,662	(4,848)
Increase in shareholder loan	9,000	-
Net cash used in operating activities	(87,396)	(125,123)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	-	(2,028)
Exploration and evaluation assets	(13,021)	(152,285)
Net cash provided by investing activities	(13,021)	(154,313)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash	115,500	-
Share issue costs	(4,494)	-
Net cash provided by financing activities	111,006	-
Change in cash during the period	10,589	(279,436)
Cash, beginning of period	39,901	368,532
Cash, end of period	$ 50,490	$ 89,096

Supplemental disclosure with respect to cash flows (Note 12)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Windarra Minerals Ltd. (the "Company") was incorporated under the laws of British Columbia on November 13, 1979 and its principal business activities include the acquisition, exploration and evaluation of mineral properties. The Company trades on the TSX Venture Exchange under the trading symbol "WRA". The head office, registered address and records office of the Company are located at 300 - 1055 West Hastings St., Vancouver, BC, V6E 2E9.

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 exploration and evaluation assets 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. The Company requires additional funding to continue operations for the next 12 months. These material uncertainties may cast significant doubt upon the entity's ability to continue as a going concern.

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

2. BASIS OF PREPARATION

These unaudited condensed interim financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*, issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). As a result, they do not conform in all respects with the disclosure requirements for annual financial statements under IFRS, and should be read in conjunction with the Company's audited financial statements for the fiscal year ended September 30, 2012.

2. BASIS OF PREPARATION (cont'd)

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The financial statements are presented in Canadian dollars being the Company's functional currency.

These financial statements were authorized by the audit committee and board of directors of the Company on August 21, 2013.

Critical accounting judgements

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgements or assessments made by management.

Critical accounting estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that the actual results differ from assumptions made relate to, but are not limited to, the following:

a) the carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position; and,

b) the inputs used in accounting for share-based compensation expense in the statements of comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES

Recent Accounting Pronouncements

IFRS 9 Financial Instruments

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". This new standard is effective for annual periods beginning on or after January 1, 2013.

IFRS 10 Consolidated Financial Statements

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation - Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements. This new standard is effective for annual periods beginning on or after January 1, 2013.

IFRS 11 Joint Arrangements

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 Interests in Joint Ventures and SIC13 Jointly Controlled Entities - Non-monetary Contributions by Venturers. This new standard is effective for annual periods beginning on or after January 1, 2013.

Expressed in Canadian Dollars

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Recent Accounting Pronouncements

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.

4. RECEIVABLES

	June 30 2013	September 30 2012
Trade receivable	$ 780	$ 1,275
Harmonized sale tax receivable	1,821	4,180
	$ 2,601	$ 5,455

Expressed in Canadian Dollars

5. MARKETABLE SECURITIES

Marketable securities consist of shares in publicly traded companies valued at the market price as published in the TSX Venture Exchange daily market summary.

	June 30 2013		September 30 2012	
Fair value	$	3,135	$	3,933
Cost	$	25,105	$	25,105

Included in marketable securities at June 30, 2013 and September 30, 2012 are 105,042 common shares of Messina Minerals Inc. ("Messina"), a company related by way of common directors, with a market value of $2,626 (September 30, 2012 – $3,151).

6. EQUIPMENT

	Computer Equipment			
	June 30 2013		September 30 2012	
Cost:				
Opening balance	$	10,036	$	7,388
Additions during the period		-		2,648
Closing balance		10,036		10,036
Accumulated amortization:				
Opening balance		7,808		6,846
Amortization for the period		803		962
Closing balance		8,611		7,808
Net book value	$	1,425	$	2,228

Expressed in Canadian Dollars

7. EXPLORATION AND EVALUATION ASSETS

	Mishi Property, Ontario	Other Properties	June 30 2013 Total
Balance, September 30, 2012	$ 1,110,429	$ 44,833	$ 1,155,262
Additions during the period			
Assay costs	652	-	652
Geology	(213)	-	(213)
Lease rentals	2,116	-	2,116
	2,555	-	2,555
Balance, June 30, 2013	$ 1,112,984	$ 44,833	$ 1,157,817

	Pukaskwa Claims, Ontario	Mishi Property, Ontario	Other Properties	September 30 2012 Total
Balance, September 30, 2011	$ 851,600	$ 987,508	$ 2	$ 1,839,110
Additions during the year				
Acquisition	-	72	44,830	44.902
Assay costs	-	50,532	-	50,532
Camp costs	-	6,493	-	6,493
Drilling	-	161	-	161
Equipment rental	-	3,043	-	3,043
Geology	-	55,071	-	55,071
Lease rentals	-	2,515	-	2,515
Travel and helicopter	-	5,034	-	5,034
	-	122,921	44,830	167,751
Impairment	(851,599)	-	-	(851,599)
Balance, September 30, 2012	$ 1	$ 1,110,429	$ 44,832	$ 1,155,262

7. EXPLORATION AND EVALUATION ASSETS (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.

Pukaskwa Claims, Ontario

During the year ended September 30, 2009, the Company granted an option to earn-in up to a 60% undivided working interest in its Pukaskwa Claims. In return, the optionee made an initial cash payment of $25,000 and has agreed to expend an aggregate of $3,000,000 in exploration and development expenses on the claims over a five year period ending June 30, 2014. The optionee did not meet the expenditure obligations required and, as a result, the option agreement was not pursued. At September 30, 2012, the Company wrote down its interest in the Pukaskwa claims to a nominal value of $1.

Mishi Property, Ontario

The Company owns a 100% interest in two mining leases in the Sault Ste. Marie Division in Ontario known as the Mishi leases as well as a royalty in respect of ore mined and milled from a third lease owned by Wesdome. The royalty interest provides for payment to the Company of $1.00 per tonne for milled ore extracted from open pit mining and $2.00 per tonne for milled ore mined from underground in excess of a cumulative total of 700,000 tonnes milled.

Other Properties

<u>Magnacon Royalty Interest, Ontario</u>

The Company has a 1% net smelter returns royalty (“NSR”) on production from certain mineral claims owned by Wesdome Gold Mines Ltd. (“Wesdome”) in the Sault Ste. Marie mining division of Ontario.

<u>Magnacon East Block Claims, Ontario</u>

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 of $1. The Company has not been required to contribute to field geology and surface drilling costs incurred during the period ended June 30, 2013 nor in the year ended September 30, 2012.

Expressed in Canadian Dollars

7. EXPLORATION AND EVALUATION ASSETS (cont'd)

Milling Rights - Magnacon

The Company is entitled to have Wesdome mill up to 50,000 tonnes annually of its ore from any source at a cost equal to the production cost of such milling plus $2.00 per tonne of ore milled.

Little Deer Lake Claims, Saskatchewan

During the year ended September 30, 2008, the Company purchased a 20% interest in certain mineral claims in the La Ronge Mining Division, Saskatchewan. These claims were previously written down and are carried in the accounts at a nominal value of $1. During the year ended September 30, 2012, the Company purchased an additional 50% interest in the property for a cash payment of $25,000, and an additional 30% for a cash payment of $15,000, bringing its interest in the property to 100%.

Tulks South, Newfoundland

During the year ended September 30, 2002, the Company, pursuant to an assignment agreement, was granted a 2% NSR on the share of production of Messina 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.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30 2013	September 30 2012
Trade payables	$ 68,924	$ 28,804
Payable to related parties	1,701	1,750
Accrued liabilities	5,975	28,850
	$ 76,600	$ 59,404

9. LOAN PAYABLE

During the period ended June 30, 2013, the Company borrowed $9,000 from a company in which an officer and director of the Company is a principal. There is no interest on this loan and there are no specific terms of repayment.

10. SHARE CAPITAL AND RESERVES

Authorized: Unlimited common shares without par value

Issued: 40,147,409 common shares without par value

Please refer to the Condensed Interim Statement of Changes in Equity for a summary of changes in share capital and reserves for the period ended June 30, 2013 and the year ended September 30, 2012.

During the period ended June 30, 2013, the Company closed a non-brokered private placement whereby it issued 3,300,000 units at a price of $0.035 per unit for gross proceeds of $115,000. Each unit consists of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one common share of the Company for a period of 5 years at a price of $0.05 for the first year and $0.10 for the remaining four years.

Warrants

During the period ended June 30, 2013, the Company issued 3,300,000 warrants as part of a private placement. These warrants are exercisable into one common share for 5 years at $0.05 for the first year and at $0.10 for the remaining four years. These warrants are subject to a hold period which expires September 25, 2013.

During the year ended September 30, 2012, 1,103,000 common share purchase warrants, exercisable into one common share at a price of $0.20 expired.

Stock options

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 shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years. Stock options expire 90 days subsequent to termination. Vesting is determined by the board of directors.

Expressed in Canadian Dollars

10. SHARE CAPITAL AND RESERVES (cont'd)

Stock options (cont'd)

During the period ended June 30, 2013, 300,000 stock options exercisable at $0.15 expired.

Following is a summary of stock options outstanding at and June 30, 2013 and September 30, 2012:

Number of Shares		Exercise Price	Expiry Date
1,475,000	$	0.18	December 29, 2015
500,000	$	0.18	June 10, 2016
1,975,000			

Share-based compensation

No stock options were granted during the period ended June 30, 2013 nor during fiscal 2012.

Expressed in Canadian Dollars

11. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the period ended June 30, 2013:

f) paid or accrued corporate and administration fees of $24,300 to an officer of the Company (2012 - $23,850);

g) paid or accrued management fees of $53,950 to an officer and director of the Company (2012 - $52,200);

h) paid or accrued fees for geological services and consulting of $350 (2012 - $79,420) to a company controlled by a director of the Company, $350 (2012 - $79,420) of which is included in exploration and evaluation assets;

i) paid directors' fees in the amount of $Nil (2012 - $2,500) which is included in corporate and administration fees; and,

j) received a loan in the amount of $9,000 from a company in which John Pallot, president of the Company, is a principal. The loan bears no interest and has no specific terms of repayment.

Included in accounts payable at June 30, 2013 is $49,660 (September 30, 2012 - $21,984) owing to officers and directors of the Company.

As at June 30, 2013 and September 30, 2012, the Company held 105,042 shares of Messina with a market value of $2,626 (September 30, 2012 - $3,151).

The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were as follows for the nine months ended:

	June 30	
	2013	**2012**
Management fees	$ 53,950	$ 52,200
Geological consulting fees	350	79,420
	$ 54,300	$ 131,620

12. SEGMENTED INFORMATION

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

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash transactions during the period ended June 30, 2013.

During the period ended June 30, 2012, the Company had the following significant non-cash transactions:

a) expensed $1,800 as property investigation costs relating to the fair value of 60,000 stock options which vested during the period; and
b) incurred accounts payable for exploration and evaluation assets of $15,466.

The Company did not pay cash for interest expense or income taxes in the periods ended June 30, 2013 and 2012.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, marketable securities, and 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.

Fair Values

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The fair value of cash and marketable securities is determined using level one of the fair value hierarchy. The fair values of receivables and accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments.

(a) *Financial Risk Management*

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

(b) *Financial Instrument Risk Exposure*

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Credit Risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's receivables consist primarily of sales tax receivables due from federal government agencies. The Company maintains its cash in financial institutions of reputable credit and may be redeemed upon demand. The carrying amounts of financial assets represent the maximum credit exposure.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

Fair Values (cont'd)

(b) *Financial Instrument Risk Exposure (cont'd)*

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. At June 30, 2013, the Company had a working capital deficiency of $28,411. Subsequent to the period end, the Company executed an agreement for a proposed acquisition. See Note 16.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is nominally exposed to interest rate risk.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

15. CAPITAL MANAGEMENT

The Company defines the capital that it manages as equity, consisting of issued common shares, stock options and warrants. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. The Company does not have any externally imposed capital requirements.

16. SUBSEQUENT EVENT

Subsequent to the period ended June 30, 2013, the Company executed an agreement for the proposed acquisition by Wesdome of all of the issued and outstanding common shares of Windarra on the basis of one common share of Wesdome for each ten Windarra shares. The transaction is subject to (i) approval by the shareholders of Windarra and the appropriate regulatory bodies; (ii) all of the outstanding options and warrants being exercised or cancelled; and (iii) other standard closing conditions.

CORPORATE DATA
AUGUST 2013

HEAD OFFICE

300 - 1055 West Hastings St.
Vancouver, BC V6E 2E9
Tel: (604) 688-1508
Fax: (604) 629-7971
Website: www.windarra.com

SOLICITORS

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

REGISTRAR & TRANSFER AGENT

Computershare Investor Services
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) 629-7971
Email: jpallot@windarra.com

CAPITALIZATION

Authorized:	Unlimited
Issued:	40,147,409
Options:	1,975,000
Warrants:	3,300,000

LISTINGS

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