ASX ANNOUNCEMENT

21 March 2017

New drill intercept extends Lomero deposit downwards

HIGHLIGHTS

- **New massive sulphide intercept in DDH L17-87 extends eastern end of Lomero deposit downwards 70m (40m vertical). The deposit remains open to depth.**
- **Current DDH L17-88 is targeted a further 90m down-dip of the L17-87 intercept.**

Figure 1: Massive sulphide (upper three rows) and banded semi-massive sulphide (lower row) in DDH L17-87.

Winmar Resources Ltd (**Winmar**) (ASX:WFE) is pleased to provide a progress report for its inaugural diamond drill programme at the Lomero gold-silver-copper-zinc deposit in Spain (**Lomero**). The results provided here are preliminary and based on visual estimates only, and will be updated when assays become available.

Winmar's first drill programme at Lomero is designed to search for extensions to the high-grade eastern massive sulphide lens ahead of a new independent resource estimation. To

date, three holes (DDHs L17-84, L17-86 and L17-87) have been completed into targets located around the supposed periphery of the eastern lens and one hole (DDH L17-85) has been drilled within it. A fifth hole has now commenced.

The locations of the drill intercepts around the eastern massive sulphide lens are shown in Figure 2 on the next page.

Winmar's latest hole, DDH L17-87, intersected 8.0m of sulphide mineralisation, comprising 2.7m of massive sulphide and 5.3m of semi-massive sulphide. The intercept in L17-87 is located more than 80m vertically below the deepest mine level and 70m down-dip (40m vertical) of the intercept in the 1989 Outokumpu DDH TH-1 that intersected 2.0m of massive sulphide averaging 3.5 g/t gold and 7.0% zinc.

The increased thickness of massive sulphide in L17-87 over that in TH-1 above it is encouraging and suggests a new focus of mineralisation may be found down-dip. Accordingly, a fifth drill hole, L17-88, has now been collared, targeted at 682,900mE, 0mRL, some 90m down-dip of the intercept in L17-87.

Considerable scope exists for major extensions to the high-grade eastern massive sulphide lens. Some 190m to the east of L17-87, the 2004 DDH L04-51 intersected 1.35m grading 8.4 g/t gold, 0.55% copper, 9.95% lead and 13.13% zinc. Within that interval, a 0.6m interval averaged the exceptional grade of 16.84 g/t gold, along with 5.33% lead and 8.12% zinc.

Wet weather and other factors have hampered on-site activities and the core samples are still being marked up and logged prior to cutting, sampling and assay.

In addition to the current hole at the eastern sulphide lens, at least one additional target below the western sulphide lens, 1km west of the current drilling, is being defined for drill testing.

Further updates will follow as events unfold.

Mr Rod Sainty
Managing Director
Winmar Resources Limited

rod.sainty@winmarresources.com.au

Ms Carolyn Patman
Company Secretary
Winmar Resources Limited
M: 0412 686 556
carolyn.patman@winmarresources.com.au

Compliance Statement

The information in this report that relates to Exploration Results at the Lomero gold-silver-copper-zinc project in Spain is based on information compiled by Mr Rod Sainty, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Sainty is a full-time employee of Winmar Resources Ltd. Mr Sainty has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Sainty consents to the inclusion in the report of the matters based on his information in the form and context in which it appear.

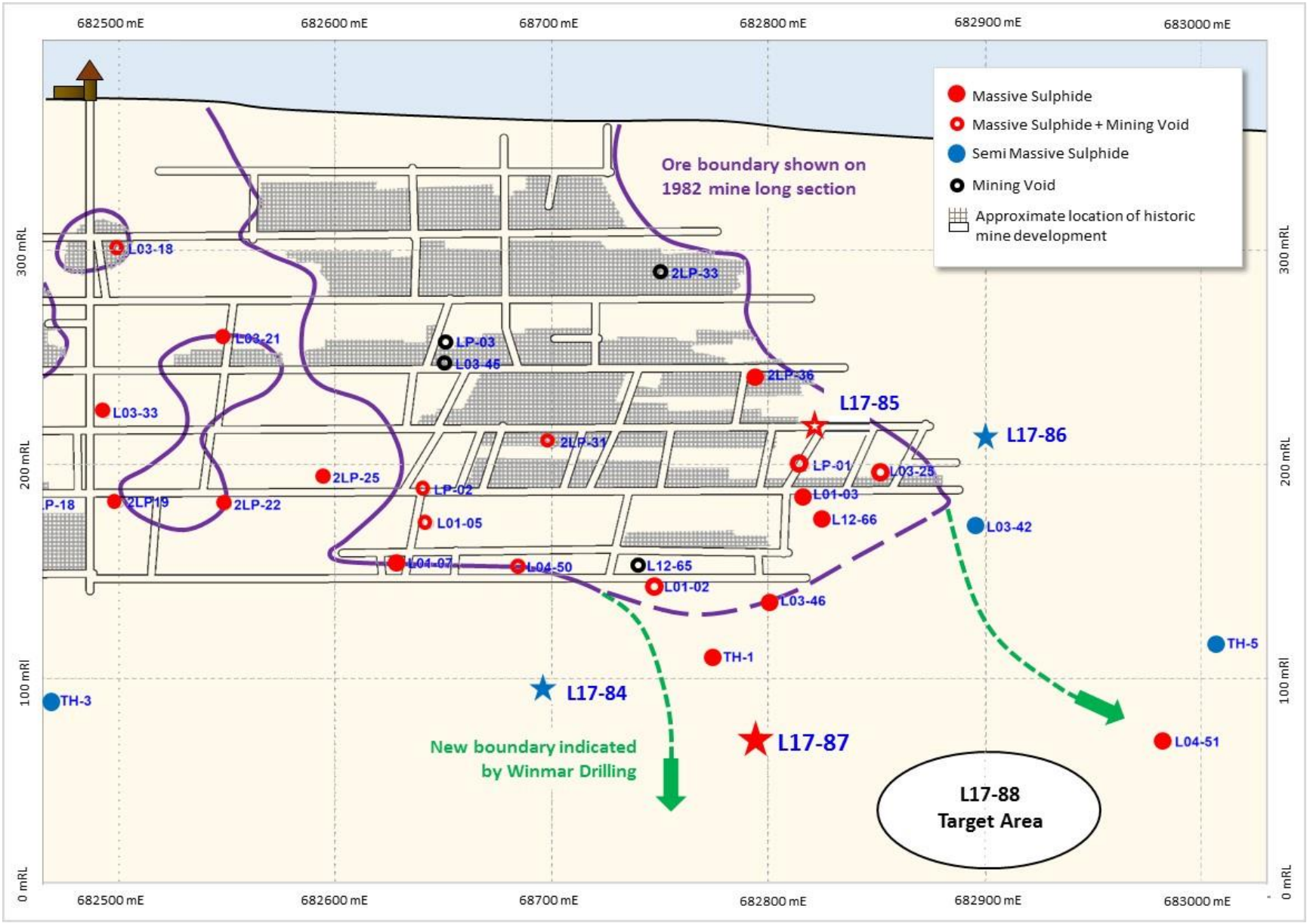

Figure 2: Long section of the Lomero eastern sulphide lens, showing the location of the Winmar drill intercepts in relation to previous intercepts and mine workings.

JORC CODE 2012 EDITION – TABLE 1
LOMERO Au-Ag-Cu-Zn DEPOSIT, ANDALUCIA, SPAIN

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Investigation Permit (IP) 14977 over the Lomero massive sulphide deposit is located approximately 100 km northwest of Seville in Andalucia, Spain. IP 14977 was granted to Kimberley Diamonds Ltd (KDL) on 13 May 2016 for a period of three years and is renewable for a further three years. Winmar Resources Ltd (WFE) has signed a Joint Venture Agreement with KDL whereby WFE can earn up to 70% in the project by spending EUR5.4 million on the project over three years to 12th May 2019.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	The drill holes covered by this Table 1 are as follows - In 1989, Finnish zinc miner **Outokumpu** drilled three DDHs (TH-1 to TH-3) at wide spacings beneath the mine workings and six DDHs (TH-4 to TH-9) at wide spacings along strike of Lomero, for a total of 2,200m. - In 2001, UK-based **Cambridge Mineral Resources (CMR)** in joint venture with US-based **Newmont Mining Corp. (NMC)** drilled nine DDHs (L01-1 to L01-9) for a total of 2,490m, targeting locations representing the various metal domains identified within the assay dataset from 60 underground DDHs, principally to obtain sulphide samples for metallurgical test-work. CMR and Newmont completed metallurgical test-work in 2002. The SRK (2002) estimation was based mainly on the assay dataset from the 60 underground DDHs and the datasets from the nine DDH drilled in 2001. - In 2003-4 **Cambridge Mineral Resources (CMR)** drilled a further 47 diamond drill holes (L03-10 to L04-56) for a total of 4,781m, primarily targeted at shallow to intermediate levels with the intention of establishing a near-surface open-cut resource. CMR also completed geophysical surveys and additional metallurgical test work. In 2007 it commissioned a second independent resource estimation from Wardell Armstrong International and proceeded to a mine scoping study. - In May 2011, Canada-based **Petaquilla Minerals (PTQ)** commissioned a new independent resource estimation from Behre Dolbear International (**BDI**), based on the previous surface drilling results of CMR and Outokumpu, together with the metallurgical studies completed by Newmont and CMR. BDI released its final report in May 2012. During 2013, PTQ and its local subsidiary, CRI, drilled 28 diamond drill holes for a total of 6,222m with the intention of increasing the confidence level of the resource from Inferred to Indicated. However, sampling and assaying of the drill core was interrupted when PTQ suffered severe difficulties at its gold mine in Panama and all work on Lomero ceased.
Geology	• *Deposit type, geological setting and style of mineralisation.*	Lomero - Poyatos is a poly-metallic massive-sulphide deposit that is located on the northern limb of the San Telmo anticline, an E-W trending fold structure adjacent to a major thrust fault. The deposit has an ENE (075°) strike and dips about 35°to 40°N. The two zones of mineralization exposed at the surface (Lomero in the east and Poyatos in the west) combine at depth to form a single deposit 1,200 m in strike length. The average thickness of massive sulphide, based on drill-hole intersections, is about 7.5m, although locally the maximum thickness of massive sulphide exceeds 20m. The mineralisation is known to extend at least 500m down dip. The mineral assemblage consists of pyrite, tennantite, sphalerite, galena, chalcopyrite, minor arsenopyrite, barite, pyrrhotite and gold, with some hematite-magnetite-rich bands.

JORC CODE 2012 EDITION – TABLE 1

LOMERO Au-Ag-Cu-Zn DEPOSIT, ANDALUCIA, SPAIN

WINMAR RESOURCES LIMITED

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Drill hole Information</td><td>

A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:

easting and northing of the drill hole collar
elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
dip and azimuth of the hole
down hole length and interception depth
hole length.

If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.

</td><td>
<table>
<tr><th>Hole ID</th><th>Collar mE</th><th>Collar mN</th><th>Collar mRL</th><th>Collar Dip</th><th>Collar Azi</th><th>Length</th><th>Intercept*</th><th>Pierce Point*</th></tr>
<tr><th>DDH</th><th>ED50</th><th>ED50</th><th>mRL</th><th>degrees</th><th>UTM</th><th>m</th><th>m</th><th>mRL</th></tr>
<tr><td>L17-84</td><td>682,700</td><td>4,186,946</td><td>352</td><td>-70.7</td><td>182.1</td><td>340</td><td>274.7-278.6</td><td>96.0</td></tr>
<tr><td>L17-85</td><td>682,821</td><td>4,186,839</td><td>361</td><td>-60.6</td><td>179.9</td><td>192</td><td>164.0-170.0</td><td>217.7</td></tr>
<tr><td>L17-86</td><td>682,900</td><td>4,186,850</td><td>346</td><td>-70.0</td><td>178.7</td><td>210</td><td>131-155</td><td>212.7</td></tr>
<tr><td>L17-87</td><td>682,800</td><td>4,187,020</td><td>338</td><td>-72.1</td><td>184.5</td><td>335</td><td>284.5-292.4</td><td>72.1</td></tr>
</table>
*Intercept lengths and pierce points are provisional and subject to revision. The intercept length of DDH L17-85 is inclusive of mining void. The intercepts of DDHs L17-84 and L17-86 consist of semi-massive sulphide.
</td></tr>
<tr><td>Data aggregation methods</td><td>

In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.
Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.
The assumptions used for any reporting of metal equivalent values should be clearly stated.

</td><td>No new assay results have been reported in the announcement.</td></tr>
<tr><td>Relationship between mineralisation widths and intercept lengths</td><td>

These relationships are particularly important in the reporting of Exploration Results.
If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.
If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').

</td><td>The Lomero deposit generally strikes east-west. All drill holes at Lomero have been collared at an azimuth of 180 degrees to intersect the north-dipping lens approximately perpendicular to strike and dip. Accordingly, over most of the strike length, the in-hole intercept length approximates the true width.

However, the eastern end of the deposit turns 25 degrees towards the north (i.e., it strikes 065 degrees), so the true width of drill hole intercepts in this area is cos 25 degrees or approximately 91% of the down hole width.</td></tr>
<tr><td>Diagrams</td><td>

Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.

</td><td>An annotated long section complete with scaled grid is included within the announcement.</td></tr>
<tr><td>Balanced reporting</td><td>

Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.

</td><td>All holes drilled have been reported within this Table 1.</td></tr>
<tr><td>Other substantive exploration data</td><td>

Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.

</td><td>No new assay results have been reported in the announcement.

An informative photograph of a portion of the mineralised drill intercept is included in the announcement.</td></tr>
<tr><td>Further work</td><td>

The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).
Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.

</td><td>WFE is currently undertaking a drill programme to locate extensions to the high-grade eastern lobe of the Lomero deposit. Additional drilling will aim to collect mineralised drill core samples for metallurgical test work.

The zone of interest in the current drill programme is shown on the long section included in the announcement.</td></tr>
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