ASX ANNOUNCEMENT

10 April 2017

Lomero Year 1 drill programme extended

HIGHLIGHTS

- **Lomero Year 1 drill programme extended from four DDHs to six DDHs.**
- **Current DDH L17-89 advancing towards target below western sulphide lens.**

Winmar Resources Ltd (**Winmar**) (ASX:WFE) is pleased to confirm that it has further extended its Year 1 drill programme at the Lomero gold-silver-copper-zinc deposit in Spain (**Lomero**) from the original four diamond drill holes (**DDHs**) to six DDHs.

The additional drilling will ensure that Winmar meets its Year 1 expenditure commitment of €400,000, as the original four hole programme cost less than anticipated. In addition, the results of the two additional holes will assist planning of the Year 2 programme.

Winmar's step-out drill programme at Lomero is designed to search for extensions to the massive sulphide deposit ahead of a new independent resource estimation.

As announced on 21 March, DDH L17-87 intersected 8.0m of massive and semi-massive sulphide mineralisation 70m (vertical) below the deepest level of the Lomero mine. Since then, the fifth DDH, L17-88, has been completed below the known limits of the eastern sulphide lens, and the sixth and last DDH, L17-89, is now in progress below the known limits of the western sulphide lens, 1 km to the west.

The results described below are preliminary and based on visual estimates only, and will be updated when assays become available.

DDH L17-88 was targeted 70m (vertical) below and 100m east of the 8.0m sulphide intercept in DDH L17-87 (Figure 1). DDH L17-88 intersected a 56m thick zone (from 317m to 373m) of stringer sulphide containing intervals of conspicuous sphalerite (zinc sulphide) that correlates with the zone of stringer sulphide intersected 80m to the east in the 2004 DDH L04-51. The stringer zone in L04-51 contained a 1.35m interval grading 8.4 g/t gold, 2.58%

lead and 4.26% zinc at a relatively low sulphur content of 16%. Given the common association of elevated gold with zinc sulphide at Lomero, the presence of conspicuous zinc sulphide within intervals of the new L17-89 stringer sulphide intercept is encouraging.

DDH L17-89 is targeted 120m north of and 100m below the previously-defined western edge of the western sulphide lens (Figure 2). The target is located 70m (vertical) below and midway between the intercepts of the 2004 DDH L04-48 and the 2013 DDH 2LP-10, which are spaced 100m apart. DDH 2LP-10 intersected two intervals of massive sulphide, 5.1m and 2.9m thick, separated by 10.1m of stringer and semi-massive sulphide. The grades of those sulphide intervals are unknown because, as reported previously, the assays and core of several of the holes drilled in 2013 are unavailable and are considered lost. However, DDH L04-48, 100m to the west, intersected massive sulphide comprising 1.15m at 4.66g/t gold and 0.4m at 6.72 g/t gold. It is hoped that those encouraging gold grades persist down-dip in combination with the thicker sulphide widths seen in DDH 2LP-10.

Sampling and assays: Winmar's sampling of its mineralised drill core has been hampered by multiple factors including a cramped warehouse with limited remaining lay-out space, forced double handling of core into a second temporary storage space, and other priorities.

Winmar Managing Director Rod Sainty has returned to Lomero after a short absence and will supervise the remaining drilling and accelerate the sampling and assays.

Down-hole electromagnetic (DHEM) surveys: All completed holes have been fully cased with PVC pipe to facilitate DHEM surveys. Details of the forthcoming surveys will follow.

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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.

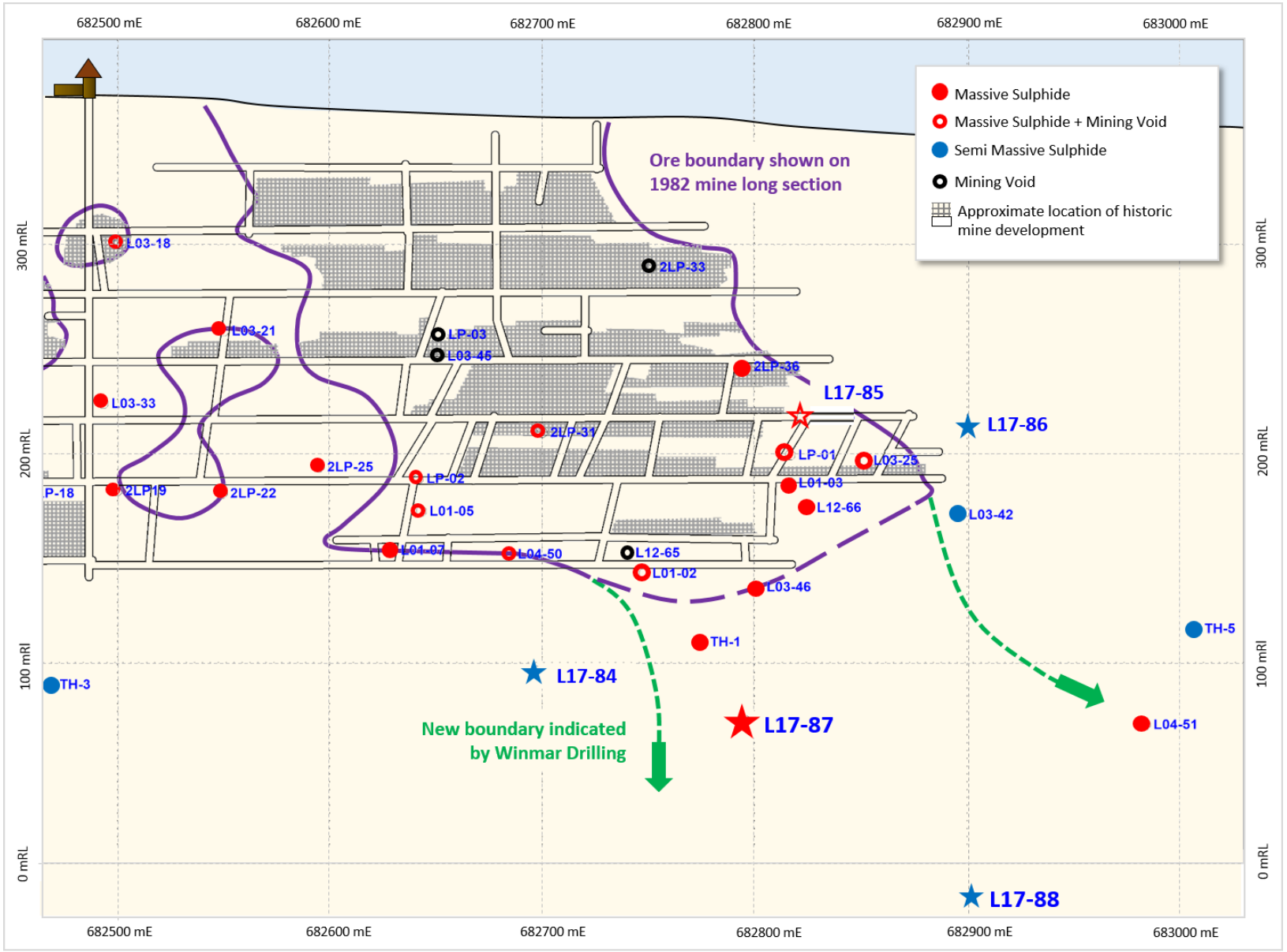

Figure 1: Long section of the Lomero eastern sulphide lens, showing the location of the Winmar drill intercepts in relation to previous intercepts and mine workings.

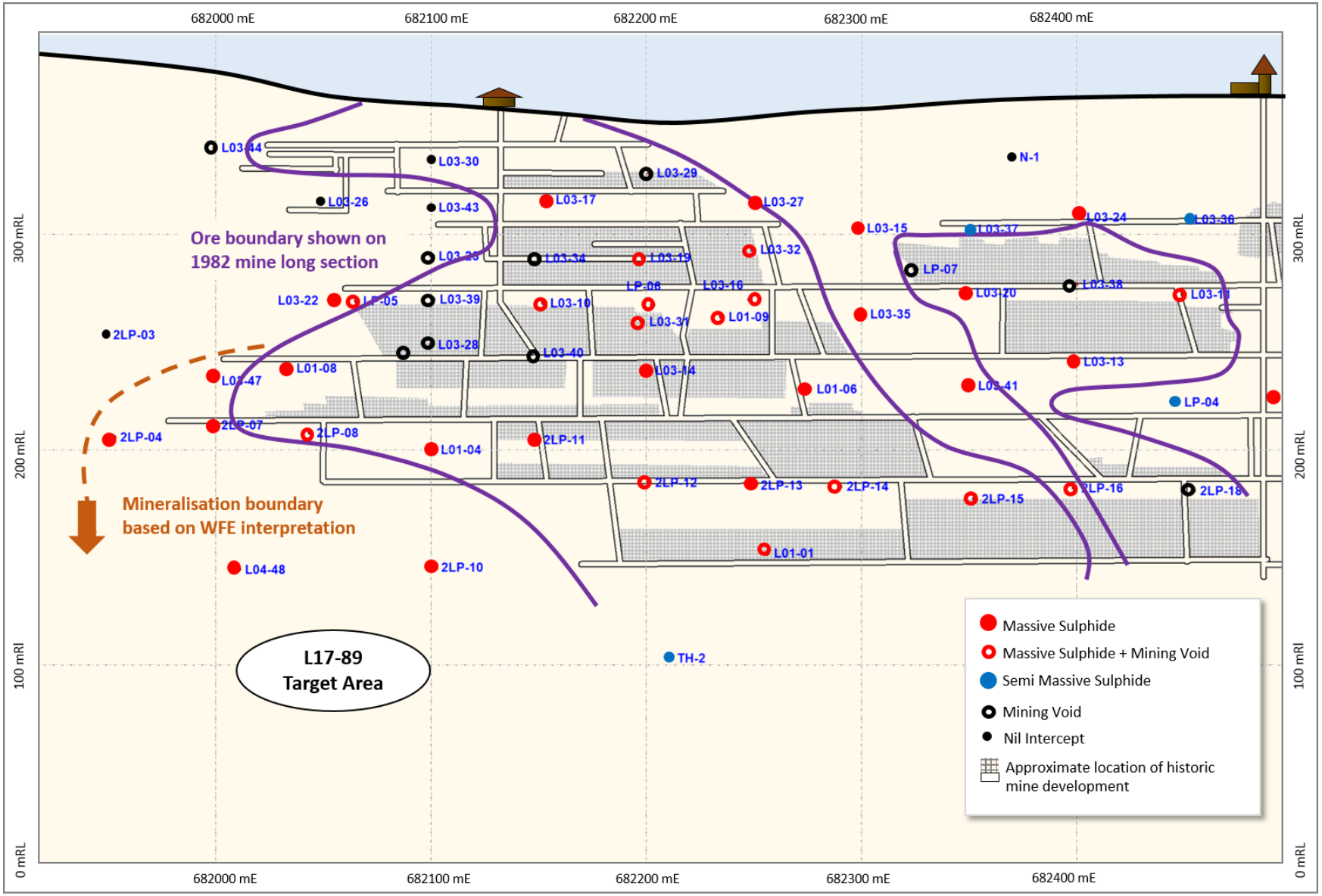

Figure 2: Long section of the Lomero western sulphide lens, showing the target for the current drill hole, L17-89, in relation to previous intercepts and mine workings.

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>L17-87</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>
<tr><td>L17-88</td><td>682,901</td><td>4,187,082</td><td>331</td><td>-86.2</td><td>183.0</td><td>431.0</td><td>317.0-373.0</td><td>-25</td></tr>
<tr><td>L17-89</td><td>682,050</td><td>4,186,950</td><td>400</td><td>-74.8</td><td>181.2</td><td>Hole In progress</td><td>NA</td><td>NA</td></tr>
</table>
*Collar co-ordinates, intercept lengths and pierce points are provisional and subject to revision.
</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 Winmar holes discussed in the announcement 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.

Geologic descriptions of the mineralised drill intercepts are 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 Lomero deposit.

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