ASX ANNOUNCEMENT

18 May 2017

Lomero drill intercept grades 11.2 g/t gold & 7.4% zinc

HIGHLIGHTS

- **DDH L17-85 massive sulphide intercept: 2.2m at 11.2 g/t gold & 7.4% zinc.**
- **DDH L17-88 massive sulphide veins grade 4.2% copper and 1.65% copper.**

Winmar Resources Ltd (**Winmar**) (ASX:WFE) is pleased to announce the first assay results received for its inaugural Phase 1 programme of diamond drill holes (**DDH**s) at the Lomero gold-silver-copper-zinc deposit in Spain (**Lomero**).

The locations of the new intercepts in relation to the Lomero mine workings are shown in Figure 1. Technical details are provided in the JORC Table 1 appended to this announcement.

The massive sulphide intercept in **DDH L17-85** provided two outstanding assay results (Table A, over) that provide a length-weighted average of 2.2m at 11.2 g/t gold and 7.4% zinc. The results confirm the high grades of gold and zinc previously recorded in the Lomero eastern massive sulphide lens. Particular measures were taken with these samples to ensure the maximum assay accuracy was achieved and the largest possible sample size was preserved for subsequent metallurgical test-work.

The 8.0m interval of sulphide mineralisation in **DDH L17-87**, located more than 80m (vertical) below the deepest mine level (Figure 1), provided a best individual assay of 0.55m at 2.05 g/t gold, 3.77% zinc. The result is typical of a number of lower grade zones scattered through the Lomero deposit. Given the very wide spacing of drill intercepts in this area, further drilling is required before a conclusion can be made regarding the overall grade of the sulphide extension identified by DDH L17-87.

DDH L17-88 produced elevated zinc values up to 4.4% zinc, as expected from the observations of conspicuous sphalerite (zinc sulphide) in the core. However, of more significance are two massive sulphide veins that returned values of 4.2% copper and 1.65%

copper. The copper values in L17-88 are much higher than copper values reported from holes located above it. Higher temperature fluids are required to transport copper in solution than those required for other metals, so the higher copper values in L17-88 suggest that a "hot spot" or source of massive sulphide mineralisation is present in the vicinity. The possibility of another massive suphide lens below L17-88 will be tested in the coming weeks by the down-hole electromagnetic (DHEM) surveys, scheduled to follow the current surface AMT survey.

HOLE ID	FROM m	TO m	LENGTH m	Au ppm	Ag ppm	Cu %	Pb %	Zn %
L17-085	164.00	165.50	1.50	**10.75**	69	0.505	3.19	**8.18**
	165.50	166.2	0.70	**12.25**	72	0.269	3	**5.76**
L17-087	284.45	285.00	0.55	**2.05**	20	0.364	1.68	**3.77**
L17-088	227.10	227.20	0.10	0.14	27	**4.21**	0.01	0.01
	237.20	237.30	0.10	0.11	7	**1.645**	0.02	0.01
	360.00	360.60	0.60	**1.16**	5	0.065	0.9	**2.24**
	372.70	373.05	0.35	0.07	5	0.101	1.36	**4.43**

Table A: Significant assay results from Winmar diamond drill holes L17-085, -087 and -088.

Further updates will follow as events unfold.

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Compliance Statement

The information in this report that relates to Sampling Techniques and 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.

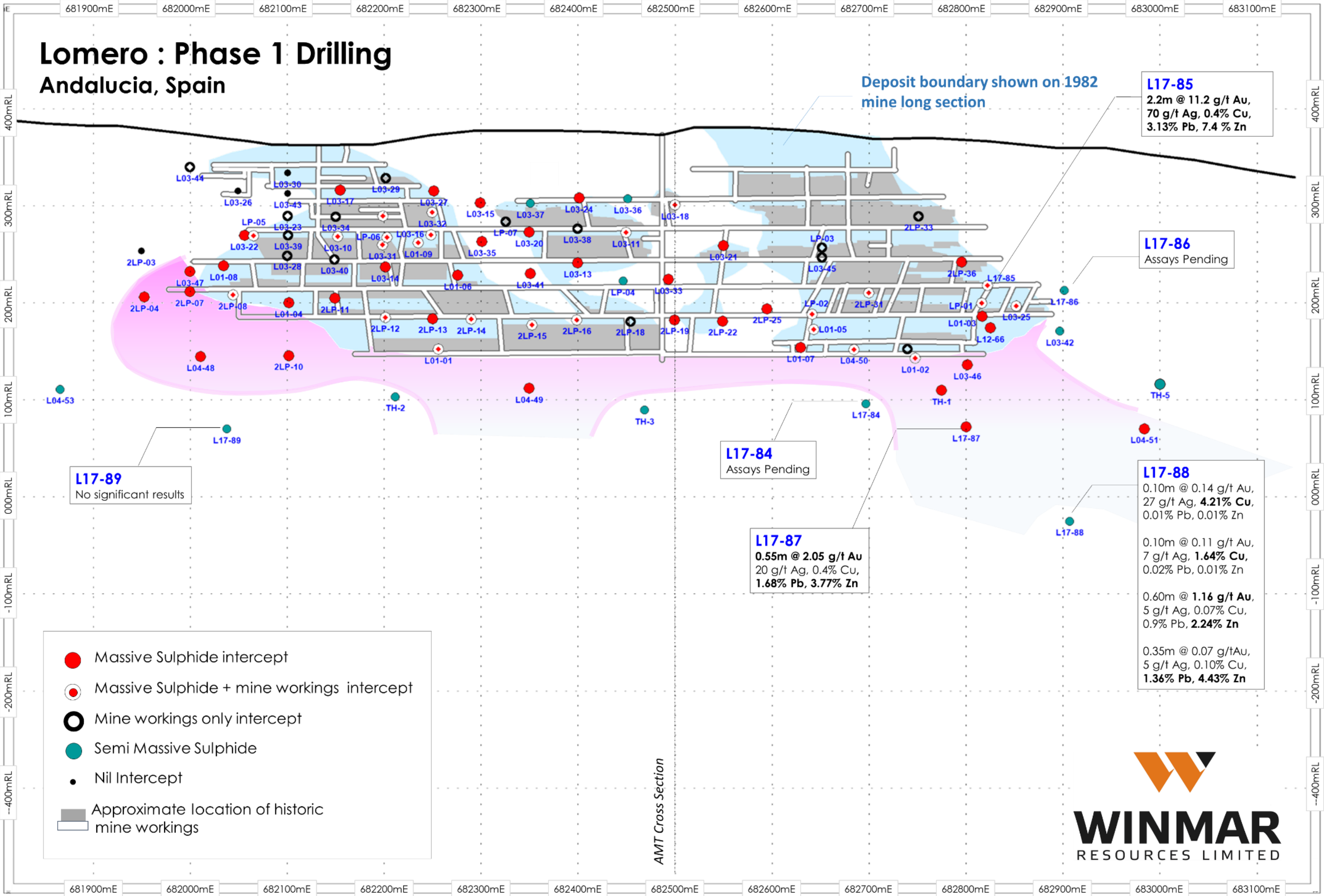

Figure 1: Long section of the Lomero eastern sulphide lens, showing the location of Winmar drill hole intercepts in relation to previous drill intercepts and the former mine workings.

JORC CODE 2012 EDITION – TABLE 1
LOMERO DEPOSIT, ANDALUCIA, SPAIN

WINMAR RESOURCES LIMITED

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Samples of diamond drill core, HQ size, up to 1.0m in length were sawn in half by ALS Seville, Spain, and subsamples prepared by ALS Seville, Spain according to industry-standard procedures. EXCEPT FOR DDH L17-85, in which 100% of the core from the massive sulphide interval (sample numbers S309306 and S309308) was crushed and a sub-sample prepared by ALS Seville in order to ensure the highest level of analysis accuracy and preserve a maximum crushed sample weight for subsequent metallurgical test-work. The sample weights of the two samples from DDH l17-85 were 20.02kg and 10.4kg, respectively. The use of 100% of the core sample for the massive sulphide interval in L17-85 (sample numbers S309306 and S309308) was undertaken in order to ensure the highest level of analysis accuracy and preserve a maximum crushed sample weight for subsequent metallurgical test-work. The sample weights of the two samples from DDH l17-85 were 20.02kg and 10.4kg, respectively.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	All samples comprise diamond drill core, as per the note above.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Drill core recovery was measured for each drill run prior to sampling and found to be 100% or nearly so. Not applicable Not applicable
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	Yes, geological logging and geotechnical logging of 100% of the sampled intervals of core was completed prior to sampling, and was completed to a level that would support appropriate Mineral Resource estimation, mining studies and metallurgical studies. The geotechnical logging was quantitative (numerical) in nature. The core intervals have been photographed.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Repeating the statement above: Samples of diamond drill core, HQ size, up to 1.0m in length were sawn in half by ALS Seville, Spain, and subsamples prepared by ALS Seville, Spain according to industry-standard procedures. EXCEPT FOR DDH L17-85, in which 100% of the core from the massive sulphide interval (sample numbers S309306 and S309308) was crushed and a sub-sample prepared by ALS Seville in order to ensure the highest level of analysis accuracy and preserve a maximum crushed sample weight for subsequent metallurgical test-work. The recorded sample weights of the two samples from DDH l17-85 were 20.02kg (1.5m length from 164.0 to 165.5m) and 10.4kg (0.7m length from 165.5 to 166.2m), respectively. The above methods and sample sizes are entirely appropriate to the material being sampled.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their*	The assays were undertaken by ALS, an accredited world-wide analytical laboratory, using industry-standard techniques. Not applicable.

Criteria	JORC Code explanation	Commentary
	derivation, etc. • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	Winmar and ALS independently inserted analytical standards, blanks and duplicates on a systematic basis to ensure the accuracy of the results. In addition, the sequencing of the samples has been randomised from their original sequence in order to reveal and highlight any cross-contamination from high grade samples.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	The drill intersections reported here have been verified by two experienced geologists, one a full-time employee of Winmar Resources Ltd and the second geologist an independent consultant. The drill intersections reported here have not been twinned. The data has been transferred directly, eliminating any possibility of transcription errors. No adjustments have been made to the assay data presented here.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	Drill collar positions were determined accurately by an independent professional surveyor using differential GPS. Down-hole surveys were performed every 30m using a digital Nomad TDS unit. Drill collar co-ordinates were reported in European Datum 1950 (ED50), in conformance with the local mine grid. Elevation of each drill collar was determined accurately by the independent surveyor, not by reference to prior topographic mapping.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	The locations of the drill intercepts reported here are shown on the accompanying long section diagram. The drill holes reported here are exploration step-out holes targeted on various geological criteria. It is anticipated that their positions relative to the pre-existing drill holes is sufficient to add to the existing Inferred Mineral Resource. The results reported here are for individual samples.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	The Lomero deposit is a tabular massive sulphide deposit, and the orientation of samples is approximately perpendicular to the strike direction. This situation is optimal for this deposit type. No sampling bias related to orientation is known or considered likely.
Sample security	• *The measures taken to ensure sample security.*	Mineralised drill core was delivered to the core storage facility either by the drillers or by geologists working on behalf of Winmar. The storage facility was locked at all times when not in use. No persons other than the drillers and geologists had access to the core. Core trays selected for sampling were transported directly to the assay laboratory for cutting (sawing) and sampling by the independent consultant geologist employed by Winmar.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	The sampling techniques are industry standard. The sampling was undertaken by ALS, Seville, Spain, part of an independent and certified assay laboratory group.

JORC CODE 2012 EDITION – TABLE 1
LOMERO DEPOSIT, ANDALUCIA, SPAIN

WINMAR RESOURCES LIMITED

Section 2 Reporting of Exploration Results
(Criteria listed in the preceding section also apply to this section.)

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.*	Exploration in the vicinity of Lomero by other parties was 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 (formerly Lomero-Poyatos) is a poly-metallic massive-sulphide deposit 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 DEPOSIT, ANDALUCIA, SPAIN

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td></td></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
DDH</th><th>Collar mE
ED50</th><th>Collar mN
ED50</th><th>Collar mRL
mRL</th><th>Collar Dip
degrees</th><th>Collar Azi
UTM</th><th>Length
m</th><th>Intercept*
m</th></tr>
<tr><td>L17-84</td><td>682,700.1</td><td>4,186,945.8</td><td>351.6</td><td>-70.7</td><td>182.1</td><td>340</td><td>274.7-278.6</td></tr>
<tr><td>L17-85</td><td>682,821.3</td><td>4,186,838.6</td><td>360.7</td><td>-60.6</td><td>179.9</td><td>192</td><td>164.0-170.0</td></tr>
<tr><td>L17-86</td><td>682,902.1</td><td>4,186,849.5</td><td>352.4</td><td>-70</td><td>178.7</td><td>210</td><td>131-155</td></tr>
<tr><td>L17-87</td><td>682,799.8</td><td>4,187,018.8</td><td>336.0</td><td>-72.1</td><td>184.5</td><td>335</td><td>284.5-292.4</td></tr>
<tr><td>L17-88</td><td>682,901.5</td><td>4,187,083.0</td><td>331.7</td><td>-86.2</td><td>183</td><td>431</td><td>317.0-373.0</td></tr>
<tr><td>L17-89</td><td>682,050.6</td><td>4,186,950.1</td><td>400.2</td><td>-74.8</td><td>181.2</td><td>405.1</td><td>353-359</td></tr>
</table></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>
</table>

Criteria	JORC Code explanation	Commentary