

ASX ANNOUNCEMENT

20 March 2018

ABN 80 085 905 997
Registered Office:
C/- Boardroom Pty Limited
Level 12, 225 George Street,
SYDNEY NSW 2000

\$3.1 Million Funding Secured to Advance Cobalt Acquisition Strategy

Winmar Resources Ltd (ASX: WFE) (**Winmar**) is pleased to announce it has secured commitments for approximately \$3.1 million in funds via the combination of a firm \$2.1 million private placement offer (**Placement**) made to Professional and Sophisticated Investors and a \$1.0 million conditional private placement (**Conditional Placement**) made to Professional and Sophisticated Investors, subject to shareholder approval.

The funds raised from both Placements will be used to fund due diligence on potential new cobalt acquisitions in the Democratic Republic of Congo and up-front payments on any new acquisitions made. The funds will also be used for general working capital requirements including corporate and administration costs and exploration costs incurred across the Company's other projects.

The Company is seeking to acquire exploration and mining licenses in the Democratic Republic of Congo that are considered highly prospective for cobalt and with the capability to be advanced rapidly towards production. The Democratic Republic of Congo presently accounts for over 60% of the world's supply of cobalt and it is generally agreed in industry circles that the region will remain the primary source of cobalt into the foreseeable future.

Shares in the Placements were offered at a price of \$0.005, a price that is five times higher than the offer made under the recent Rights Issue in October 2017 and the highest price that the Company has secured funding at in almost four years.

It is anticipated that all funds for the Placement will be received and shares allotted to participants by the end of this week.

Funds for the Conditional Placement will be provided by the principals of Airguide International Pte Ltd (**Airguide**), a Singapore-based specialist corporate advisory group. In conjunction with this commitment, Airguide itself has made a cornerstone investment of \$500,000 in the Placement and, separately, has been appointed Strategic Advisor to the Company (refer to ASX Announcement dated 20 March 2018, *Winmar Resources Engages Airguide International as its Strategic Advisor*).

WFE Chairman, Jason Brewer commented: *“We are extremely pleased with the level of support received from investors in this placement and from Airguide and its principals who have joined as both a cornerstone investor in the placement and in providing additional potential funds to the Company. We have raised capital at the highest price level that this Company has secured funds at for almost four years. Investors and shareholders have indicated their support for our strategy and now we have to deliver.*

This funding commitment allows us to move forward aggressively and pursue our strategy of securing highly prospective cobalt projects that we believe can be brought into production.

The cobalt sector is experiencing record demand, with prices in excess of US\$87,000/t at record multi-year highs, and is incredibly competitive. To have secured this funding puts us in a position of strength to move quickly on project opportunities as they arise and efficiently complete our due diligence and acquisition negotiations.”

The Company intends to use its full capacity under ASX Listing Rules 7.1 and 7.1A to issue 425,256,922 new shares to participants in the Placement to immediately raise \$2,126,285.

While existing shareholder’s ownership will be diluted by 10% due to the issuance of shares under Listing Rule 7.1A, and 21% in total, the Directors have decided that a placement would benefit all shareholders by providing the Company with the flexibility of immediate cash to thoroughly investigate new cobalt acquisition opportunities as they arise and the ability to create value by introducing strategic partners onto the register.

Perth firm Sixty Two Capital Pty Ltd acted as Lead Arranger for the Placement. The Placement was not underwritten and a fee of six percent (6%) was paid to the Lead Arranger. 25,000,000 options exercisable at \$0.03 per share were also issued Sixty Two Capital Pty Ltd, subject to shareholder approval. We note that the exercise price of the options is six times higher than the placement price and will only vest if the Company’s 5-day VWAP share price exceeds \$0.04 per share.

The \$1.0 million Conditional Placement to Airguide’s principals will be made subject to shareholder approval and upon the Company agreeing terms to proceed with a new cobalt acquisition in the Democratic Republic of Congo. The Conditional Placement has no fees payable and will be completed at an issue price of \$0.005, the same as the offer price of the Placement, and subject to shareholder approval. Documentation pertaining to the Conditional Placement is expected to be finalised this week.

Indicative Use of Capital Raised¹

Funds Raised via Placement	\$2,130,000
Capital Raising / ASX Fees / Registry Fees	(\$150,000)
Net Capital Raised	\$1,980,000
New Cobalt Projects - Due Diligence	(\$650,000)
New Cobalt Projects - Up-front Acquisition Costs	(\$280,000)
Existing Cobalt and Other Projects - Exploration and Advancement	(\$500,000)
General Working Capital	(\$300,000)
Corporate Costs	(\$250,000)
Funds Raised via Conditional Placement²	\$1,000,000
Acquiring, exploring and developing new cobalt projects in the DRC	(\$1,000,000)

1. The table above is an indication of how the Directors intend to allocate the funds raised via the Placement over the next 12 months. The Directors reserve their right to alter this allocation as dictated by the changing needs of the Company and their duties as Directors.
2. The Conditional Placement has been made conditional based on Airguide's expertise in cobalt and in Africa and accordingly its preference to invest and support acquisitions in the DRC

It is noted that any acquisition or group of acquisitions that the Company make or makes are, as always, subject to review by the ASX under Chapter 11 of the listing rules relating to Significant Transactions.

At this point in time, the Company continues to review potential acquisition opportunities in the Democratic Republic of Congo, but as yet has not identified nor advanced any specific transaction that it proposes to utilise the funds raised via the placements to complete.

The Company will continue to update the market on its due diligence activities on potential new cobalt acquisition in the Democratic Republic of Congo and work on its existing projects.

Mr Rod Sainty
Managing Director
Winmar Resources Limited