

ASX ANNOUNCEMENT

24 January 2019

Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

APPOINTMENT OF INDEPENDENT EXPERT TO COMPLETE LUAPULA PROCESSING FACILITY VALUATION

Winmar Resources Limited (**Winmar** or the **Company**) (ASX: WFE) is pleased to advise that it has appointed METS Engineering Group (**METS**) to complete an independent valuation of the Luapula Processing Facility, located in the heart of the Congolese copperbelt, near the town of Likasi in the Democratic of Congo.

The appointment of METS to complete an independent valuation is for the purposes of addressing one of the concerns raised by ASX in response to the Company's lodgement with ASX of an Application for In-Principle Advice in connection with the Company's intended re-listing on ASX (refer ASX Announcement of 3 December 2018).

METS is an Australian based engineering consulting firm specialising in mineral processing with over 30 years of experience across a wide range of over 6,000 projects in different commodities and jurisdictions. METS expertise extends across all aspects of mineral processing, hydrometallurgy, pyrometallurgy, testwork design and management, engineering studies, optimisation and risk assessment, process innovation and engineering design, expert witness, and independent audits, valuations and due diligence.

METS' founder and Principal Consulting Engineer, Mr Damian Connelly, who has extensive experience in the copper, cobalt, lithium, vanadium, nickel, gold, lead, zinc, uranium and iron ore industries will undertake the independent valuation for and on behalf of METS. Mr Connelly is an internationally recognised specialist in Mineral Processing having worked globally over the last 30 years and has experience in plant operations feasibility studies, detailed design, construction and commissioning, and all unit operations.

Mr Connelly is a Fellow, Australasian Institute of Mining and Metallurgy (AusIMM), Fellow of Engineers Australia (FIEAust) Member of Mineral Industry Consultants Association (MICA) and Society for Mining, Metallurgy, and Exploration (SME) Member of the Canadian Institute of Mining and Metallurgy (CIMM), Fellow of the Australian Institute of Management (AIM), Member of the South African Institute of Mining and Metallurgy (SAIMM) and Member of the Western Australian Chinese Chamber of Commerce (WACCC).

Mr Connelly will complete a site visit and inspection of the Luapula Processing Facility with the Company's technical management and consultants in early February 2019.

It is the Company's intention that the independent valuation report will be published by the Company on ASX platform when it is complete.

Background

Under the terms of a Heads of Agreements executed in July 2018 (refer ASX Announcement dated 27 July 2018), Winmar has secured the rights to a 50% interest in the Luapula Processing Facility.

Subject to Winmar satisfying ASX in terms of its re-listing on ASX, Winmar Lufira Mining Company S.A. (**WLMC**), is the recently incorporated legal entity that is owned 50% by Winmar and 50% by African Holding Investment Company Limited (**AHIC**) (currently the 100% owner of the Luapula Processing Facility through its wholly owned subsidiary Societe Luapula SARL) and which will hold the title to, and operate and manage the Luapula Processing Facility.

The Luapula Processing Facility is an established and permitted copper concentrate production facility, with a number of minor modifications and upgrades necessary to allow the production of high grade cobalt and copper concentrates.

A simplified process flow diagram and process description of the proposed modified Luapula Process Facility is summarised below.

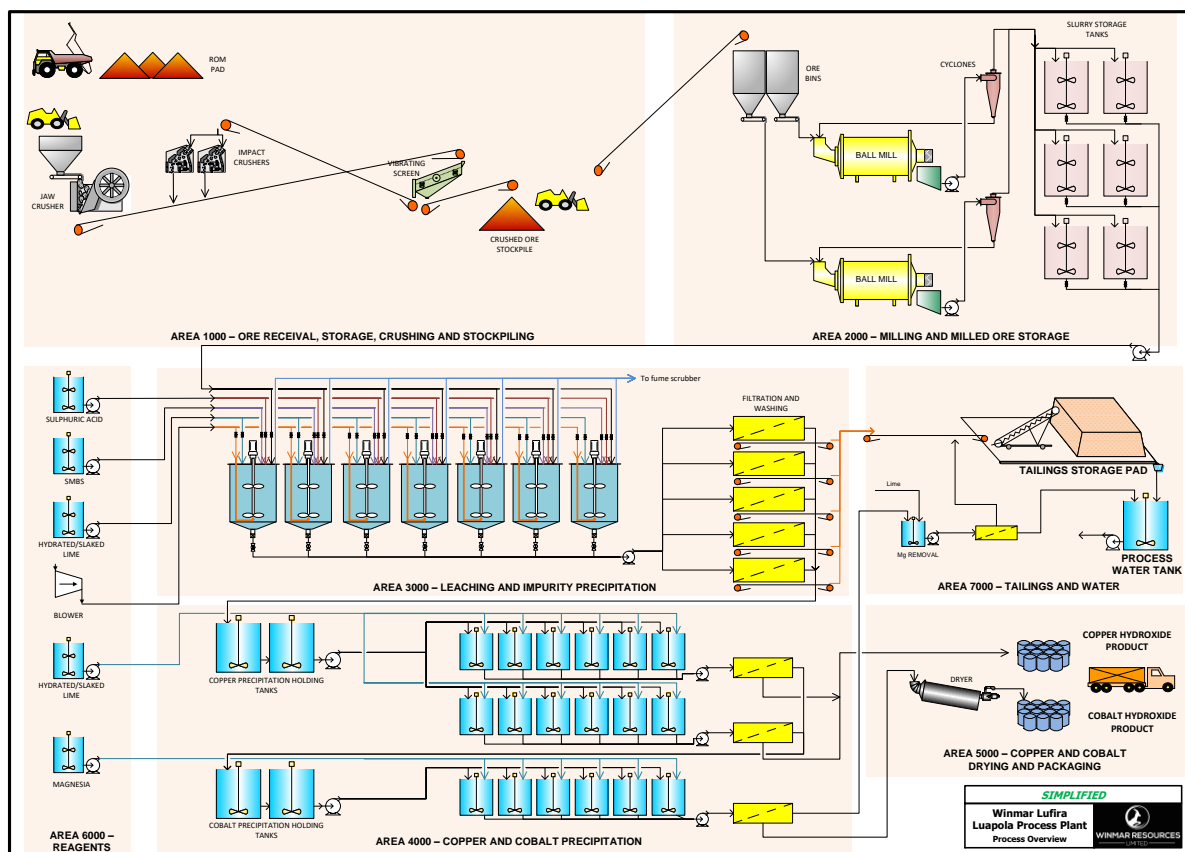


Figure 1: Simplified Process Flow Diagram of the Luapula Processing Facility

The modified Luapula Processing Facility process involves crushing mineralisation and then feeding into ore bins. The material is withdrawn from ore bins into one of two ball mills that operate in closed circuit with cyclones, with cyclone overflow being held in slurry storage tanks. Slurry is pumped from the holding tanks to leaching tanks where sulphuric acid and SMBS are added to solubilise metal and adjust the solution ORP to convert Co(III) to acid soluble Co(II). The liquor is then neutralised to pH

~4 using hydrated lime and air blown into the tanks to allow oxidation of Fe(II) to Fe(III) thereby allowing its precipitation from solution.

The slurry from leaching/neutralisation is filtered in plate-and-frame filters, and washed with water, with the liquor and wash water combined and directed to the Cu precipitation storage tank. The solids dumped from the filter press are conveyed to the tailings storage pad and dry-stacked. Liquor run-off from the dry-stack pad is collected and returned to the process water tank.

Liquor in the Cu precipitation holding tank is pumped to copper precipitation tanks, where the pH is adjusted to pH ~7 with slaked lime, thereby effecting the precipitation of copper.

The precipitated copper is recovered in plate-and-frame filter presses, and the liquor is directed to the cobalt precipitation holding tanks. The copper product is dried – if necessary – and then packaged and trucked to a nearby copper refinery for dissolution and production of cathode copper.

Liquor from the cobalt precipitation holding tank is pumped to the cobalt precipitation tanks, where the pH is adjusted to pH ~8.5 with magnesia. Precipitated cobalt is recovered by filtration in a filter press, with liquor directed to the process water tank; a portion of this water will likely need to be bled to an impurity removal circuit where impurities such as Mn and MgO are removed. The cobalt hydroxide product is dried – using a combination of sun drying and fuel drying – after which it is packaged, loaded into sea containers and freighted to purchasers.

The appointment of METS to undertake an independent valuation of the Luapula Processing Facility follows the release of a Request for Quotation to a number of established mineral processing consultancy groups in 2018.

Please contact the undersigned if you require any further information in relation to this matter.

Mr Jason Brewer
Chairman
Winmar Resources Limited
+61 (0)8 6462 1421