

ASX Announcement

18 October 2021



Westar Consolidates Base Metals Belt With Drill Ready Targets

HIGHLIGHTS

- ✦ **Transaction on Geoff Well Project consolidates Westar's Gidgee North Project with drill ready targets that are highly prospective for VMS style mineralisation.**
- ✦ **Geoff Well hosts the extension of geophysical and geochemical anomalies defined on Westar's 100% owned neighboring tenement.**
- ✦ **Historical drilling at the Vela prospect includes mineralisation at the end-of-hole (EOH);**
 - **8m at 1.12% Cu from 48m (to EOH) (GVER010)**
 - **including 4m at 1.65% Cu from 48m**
 - **20m at 0.17% Zn from 40m (to EOH) (GVER008)**
- ✦ **Westar plans to fast track exploration activities across Gidgee North following geophysical and geochemical surveys.**

Westar Resources Limited (ASX:WSR) (**Westar** or the **Company**) is pleased to announce it has entered into a binding agreement to earn up to a 75% interest in the Geoff Well Project (**Geoff Well**), contiguous with the 100% owned Gidgee North Project. Geoff Well has identified Cu-Zn mineralisation in historical drilling, along with numerous gossans that are consistent with the interpreted VMS style mineralisation.

The acquisition of the Geoff Well Project secures Westar's strategic position over the highly prospective area and Westar now holds approximately 7km of strike length of the interpreted VMS mineralised stratigraphic horizon. Following successfully defining analogous anomalies at Gidgee North, Westar plans to fast track target refinement and exploration to deliver strong news flow into CY2022.

Westar Managing Director Karl Jupp commented:

"The Geoff Well Project is an exciting and synergistic opportunity for Westar to continue to build on the VMS potential of the Gidgee North district. SkyTEM geophysics and soil geochemistry completed to date, including at Geoff Well, clearly demonstrate along-strike potential of Westar's identified conductors and offers significant additional upside opportunity to test additional VMS-style mineralisation targets."



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Projects

Sandstone (100% Owned)
Mt Magnet (100% Owned)
Nullagine (100% Owned)
Southern Cross (RMS JV)

ASX Code WSR

VMS Cu-Zn Potential

Review of regional datasets, including SkyTEM data, has highlighted significant exploration upside in the region and the high probability these tenements contain along strike continuation of the nearby Horizon Gold (ASX:HRN) stratabound Cu-Zn Altair Prospect. Numerous significant intercepts have been reported for the Altair deposit including up to 44m @ 1.2% Cu from 56m and 20m @ 1.1% Cu from 64m.¹

A comprehensive WAMEX literature review and data compilation exercise has previously been completed on Geoff Well that resulted in the identification of the “Vela” prospect located in the northeast of the tenement (Figure 2). Vela was originally discovered by Pancontinental Mining the early 1990’s which conducted a single line of 12 RAB holes for a total of 665m in 1994. While only limited, this drilling resulted in a number of anomalous Cu and Zn intercepts within the oxide zone, including the extremely encouraging 8m @ 1.12% Cu from 48m to the end of hole GVER010 and 20m @ 0.17% Zn to the end of hole GVER008 (Figure 1 and Table 1). Drilling ceased at blade refusal and as such no holes penetrated fresh material and no follow up exploration has ever been conducted on Vela (Figure 1).

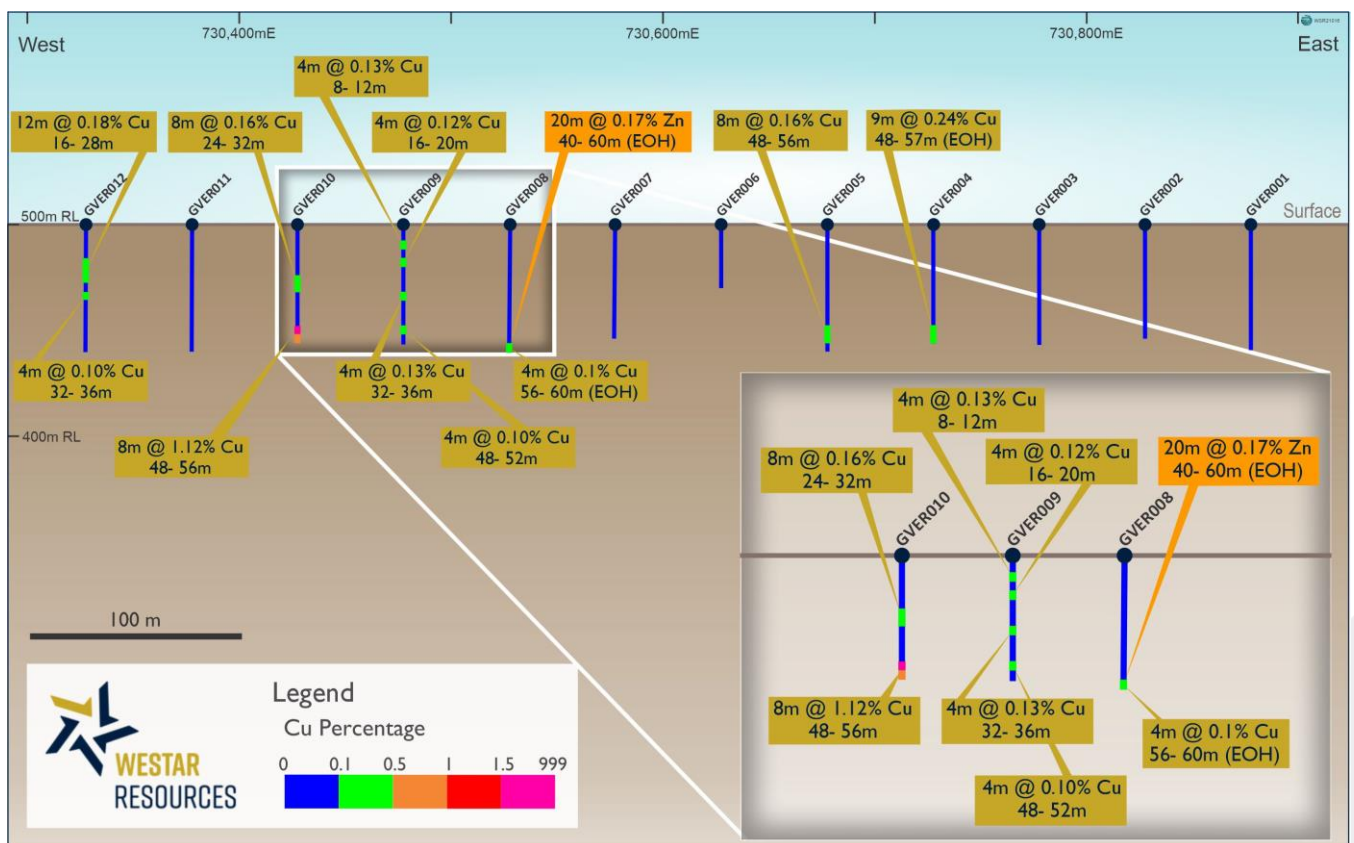


Figure 1 – Historical drilling at the Vela Prospect with significant Cu and Zn intersections

¹ ASX Announcement Horizon Gold - ‘Broad Zn-Cu mineralisation confirmed over 450m at Altair’, 29 March 2019

The Vela prospect is located only 900m from Horizon Gold’s Cu-Zn Altair prospect and is hosted within the same stratigraphic unit and geophysical conductor (Figure 2) and is interpreted to represent a potential near surface expression of similar style of mineralisation. Westar is of the opinion the Vela prospect presents a highly prospective drill ready target.

The stratigraphic horizon hosting Altair, Vela and the mapped gossans (Figure 2 and Figure 3) is interpreted to continue through E53/1832 (Geoff Well prospect) onto Westar’s 100% tenure at Gidgee North, representing the east west trending stratigraphic ‘F anomaly’ previously announced.²

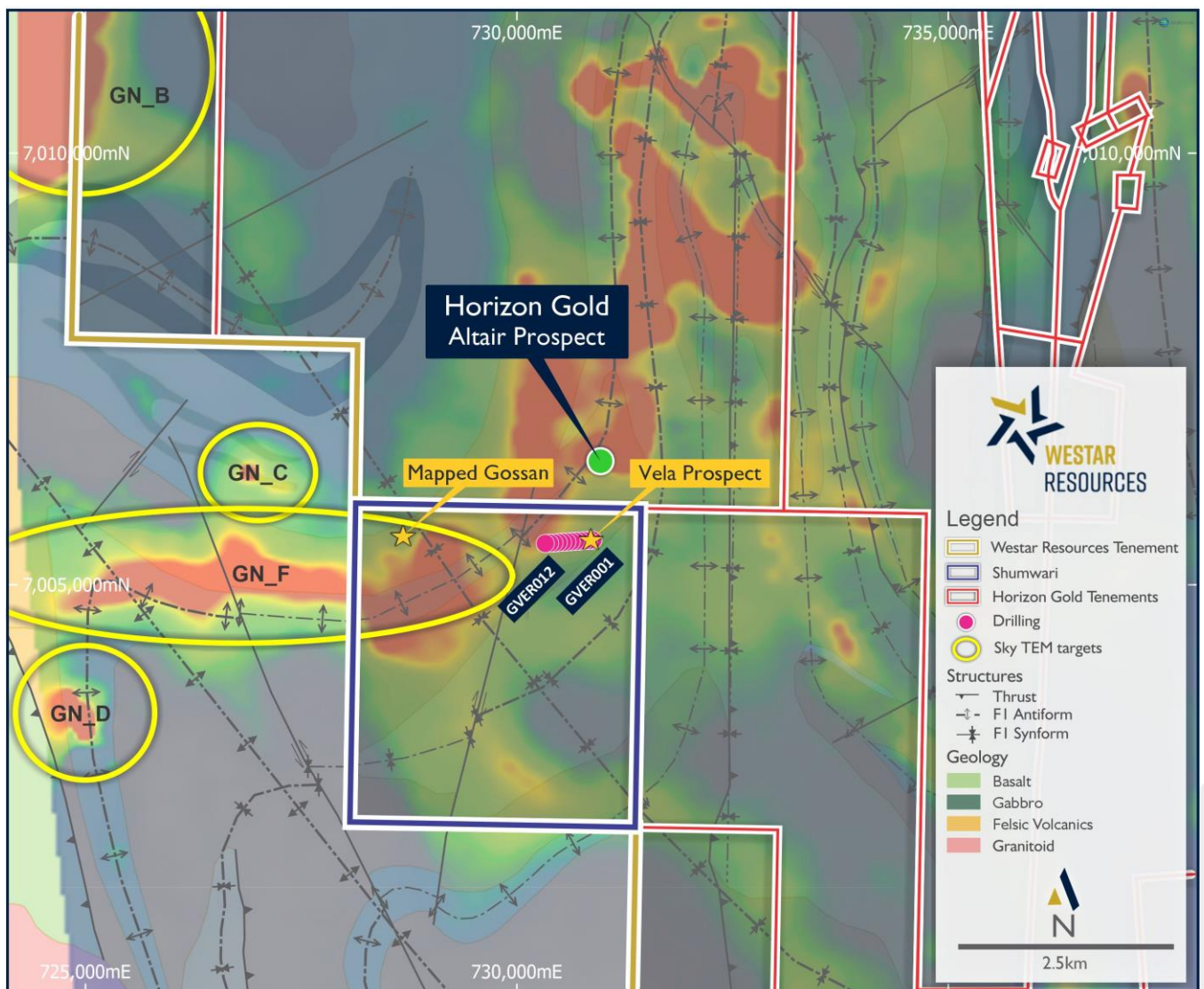


Figure 2 – SkyTEM survey with interpreted conductors, basement geology and location of the Altair and Vela prospects.

Westar is of the view that the acquisition of the Geoff Well project is complementary to its Gidgee North tenements and will enable the Company to fast-track exploration activities via the drill ready targets, along with a further understanding of mineralisation signatures.

² Westar Resource – ‘Gidgee North – Base Metal and Gold Exploration Update’, 4 October 2021



Figure 3 – Mapped Gossan at the Geoff Well Project.

NEXT STEPS

Westar intends to immediately progress exploration activities at the Geoff Well project in conjunction with the Gidgee North Project to advance both base metal targets and gold targets. Upcoming field activities are planned to include additional soil sampling and an AEM (airborne electromagnetic) survey over high priority target areas in the southern portion of the lease and will now be extended to include the Geoff Well Project. Once complete, the AEM data will be used to generate plate models to assist in targeting ahead of a maiden drill program planned for H1 CY2022.

Transaction Structure

The Company has executed a binding term sheet with Shumwari Pty Ltd, Alan Archibald Pellegrini and Glen Alexander Brown (together the “**Vendors**”) to earn up to a 75% interest of the Geoff Well base metal project (the “**Project**”) (EL 52/1832-I). The Vendors will retain 25% ownership in the Project, forming a Joint Venture (**‘JV’**) with Westar.

Key terms of the earn-in and JV are summarised as follows:

- In consideration for the right to earn-in to the Project, the Company agrees to issue the Vendors 500,000 fully paid ordinary shares in the capital of Westar and a \$60,000 cash payment. The shares will be subject to a voluntary 3-month escrow period from the date of issue.
- Westar to earn 51% ownership over the Project by incurring expenditure of \$200,000 within 18-months from execution of the agreement.
- Westar can earn an additional 24% (total 75%) interest in the Project by incurring an additional \$200,000 expenditure (total \$400,000) within a further 18-month period. Upon earning 75% interest in the Project, the Vendors and Westar will form a JV.
- The Vendors will be free carried through to completion of a feasibility study after which point the Vendors can elect to contribute or dilute.
- Should the Vendors elect to dilute below 10% Project ownership their interest will convert into a 1.25% Gross Revenue Royalty (**GRR**).
- Westar have first right of refusal should the Vendors elect to dispose of its Project ownership or its GRR.
- Westar to operate and manage the exploration activities at the Project and the JV.

BACKGROUND

The Gidgee South Project is 100% Westar owned and located 55 km north east of Sandstone in Western Australia (Figure 5). The Project consists of exploration license 57/1055 (Gidgee South), The Birrigrin Mining Centre (M57/352) and The Carbine Bore Prospects (P57/1368 and P57/1363), covering an area of approximately 44 km² in the Gum Creek Greenstone Belt (GCVB). The GCVB has historically produced over 1M Oz of gold and hosts over 1.35 M Oz of Au Mineral Resource ¹.

¹ ASX announcement Horizon Gold (ASX:HRN) 10 March 2021, "Investor Presentation"



Figure 4 – Sandstone Projects location map - Gidgee North, Geoff Well and Gidgee South

Table 1 – Vela Prospect Drill Intercepts Reported Above 0.1% Cu or 0.1% Zn. Assumed mRL.

Hole ID	Easting (MGA)	Northing (MGA)	RL (m)	Depth (m)	Dip	Azi	Drill Depth, From (m)	Drill Depth, To (m)	Cu (%)	Zn (%)	Ag (G/t)
GVER001	730879	7005517	500	60	-90	0	N.S.I				
GVER002	730829	7005513	500	54	-90	0	N.S.I				
GVER003	730779	7005510	500	57	-90	0	N.S.I				
GVER004	730729	7005506	500	57	-90	0	48	52	0.33	<0.1	1.7
							52	56	0.25	<0.1	1.6
							56	57	0.15	<0.1	1.8
GVER005	730679	7005503	500	60	-90	0	48	52	0.22	<0.1	4
							52	56	0.1	0.1	2
							56	60	0.1	<0.1	1.7
GVER006	730629	7005499	500	30	-90	0	N.S.I				
GVER007	730579	7005496	500	54	-90	0	N.S.I				
GVER008	730529	7005492	500	60	-90	0	38	42	<0.1	0.18	<1
							44	48	<0.1	0.21	1.5
							48	52	<0.1	0.21	2.6
							52	56	<0.1	0.11	<1
							56	60	0.14	0.13	1.3
GVER009	730479	7005489	500	57	-90	0	8	12	0.13	<0.1	<1
							16	20	0.12	<0.1	<1
							32	36	0.14	<0.1	<1
							36	40	0.1	<0.1	<1
GVER010	730429	7005485	500	56	-90	0	24	28	0.22	<0.1	<1
							28	32	0.1	<0.1	<1
							48	52	1.65	<0.1	2.7
							52	56	0.6	<0.1	1.9
GVER011	730379	7005482	500	60	-90	0	N.S.I				
GVER012	730328	7005478	500	60	-90	0	16	20	0.16	<0.1	1.3
							20	24	0.21	<0.1	1.8
							24	28	0.17	<0.1	<1
							28	32	0.1	<0.1	<1

For the purpose of Listing Rule 15.5, this announcement has been authorised by the board of Westar Resources Ltd.

ENQUIRIES

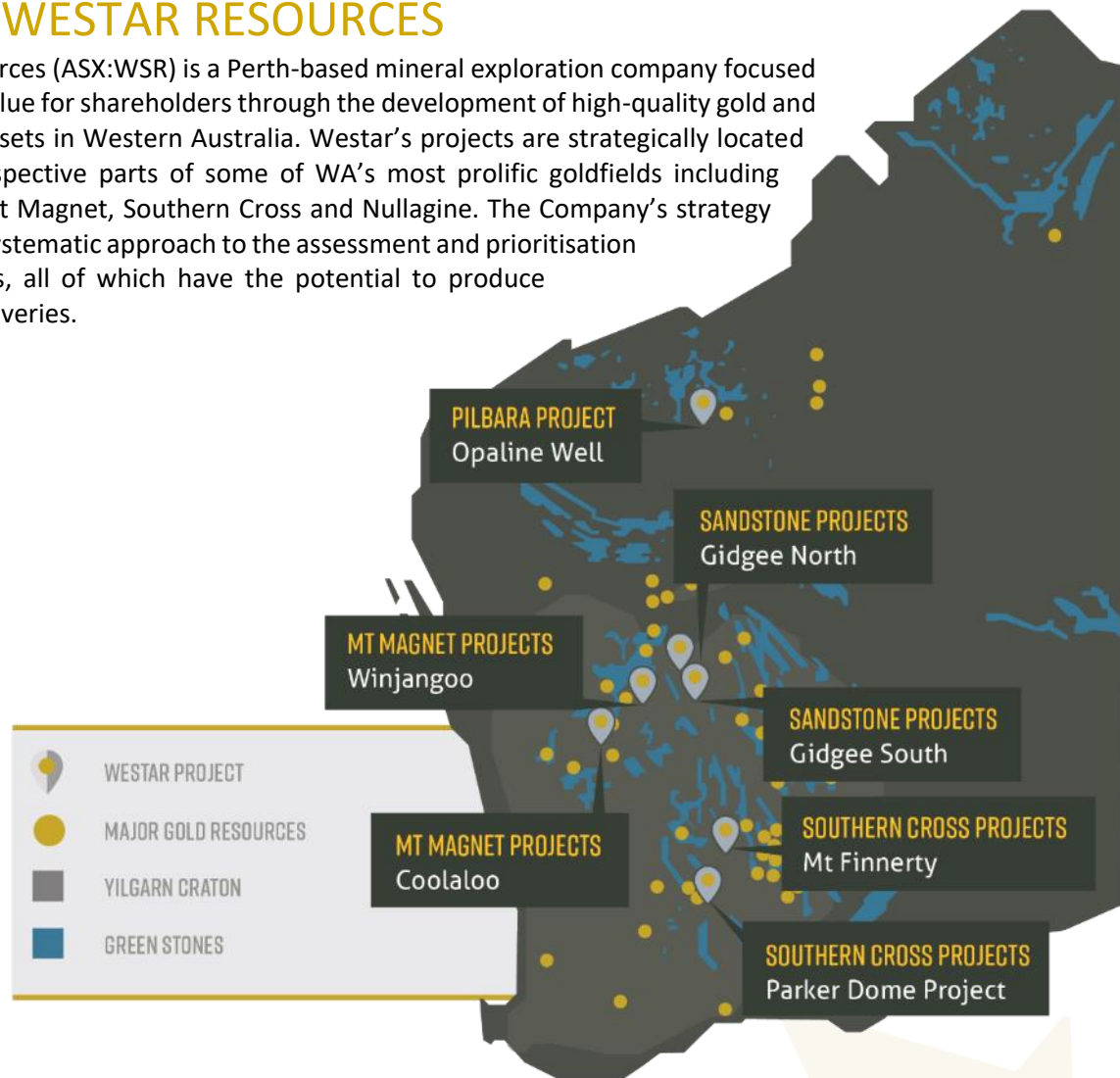
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ABOUT WESTAR RESOURCES

Westar Resources (ASX:WSR) is a Perth-based mineral exploration company focused on creating value for shareholders through the development of high-quality gold and base metal assets in Western Australia. Westar's projects are strategically located in highly prospective parts of some of WA's most prolific goldfields including Sandstone, Mt Magnet, Southern Cross and Nullagine. The Company's strategy is to apply a systematic approach to the assessment and prioritisation of its projects, all of which have the potential to produce material discoveries.



COMPETENT PERSON STATEMENT

The information in this announcement that relates to exploration results is based on and fairly represents information compiled by Karl Jupp, a competent person who is a member of the AusIMM. Karl Jupp is employed by Westar Resources Limited. Karl Jupp has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves. Karl Jupp consents to the inclusion in this announcement of the matters based on his work in the form and context in which it appears.

Geoff Well RAB drilling and sampling JORC Code, 2012 Edition – Table 1 report Section 1 Sampling Techniques and Data

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

Criteria	Commentary
<i>Sampling techniques</i>	All drilling was undertaken by Reverse Air Blast (“RAB”) drilling and sampled on 4m composites. No detailed information is available for sampling technique however it was assumed that standard spear sampling technique was applied on each 1m sample to form the 4m composites. The CP notes that variations in composite size ranged at the end of the each hole if not on a 4m interval.
<i>Drilling techniques</i>	All holes have been undertaken using RAB drill techniques by Pancontinental mining.
<i>Drill sample recovery</i>	The sample quality, in terms of degree of wetness and an estimate of the recovery, was recorded routinely by the field geologist. The cyclone was regularly cleaned to ensure sample quality. A relationship between recovery and grade has not been established for the first pass RC drilling.
<i>Logging</i>	All drill metre samples have been logged with major components reported in annual reports. No additional information is available. 100% of the samples were geologically logged.
<i>Sub-sampling techniques and sample preparation</i>	The composite samples were collected using a spear technique as was standard at the time of 1993/1994. The CP notes that significant exploration was undertaken during this period as such it was assumed that suitable techniques were applied.
<i>Quality of assay data and laboratory tests</i>	While the assaying procedure is unknown, documents indicate a third party commercial was utilised.
<i>Verification of sampling and assaying</i>	Based on the information provided sampling was overseen by qualified geologists and assaying undertaken by third party experts. As such the CP has no reason to question the validity of the data and consider the data suitable for Exploration Results to be reported given the very early stage of the project.
<i>Location of data points</i>	All drill holes were located in a local grid and subsequently transform to MGA94 Zone50. The CP understands the local grid system was generated based on survey data from the nearby Altair deposit.
<i>Data spacing and distribution</i>	All RAB holes has a 50m spacing on a single line. No drilling has been completed north or south of this line.
<i>Orientation of data in relation to geological structure</i>	All holes have been drilled vertically, given the very early stage of exploration no relation to geological structure can be assessed.
<i>Sample security</i>	No information was provided however documents suggest all drilling and assaying was completed by third party experts.
<i>Audits or reviews</i>	The CP understands no third-party audits were completed at the time, however the CP and representatives of Westar have review the provided and concluded no material issues.

JORC Code, 2012 Edition – Table 1 report

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	Exploration drilling was conducted on historical tenement M 53/309 however this was relinquished and subsequently retitled to the exploration licence E 53/1238 which is understood to be in good standing.,
<i>Exploration done by other parties</i>	All exploration to date has been completed to date and includes the RAB drilling along with historic geophysical surveys. This includes the SKYteam surveys reported by Westar and mentioned in the announcement., No other exploration works are understood to be have completed other than outcrop inspections by various parties.
<i>Geology</i>	The project is located within the East Murchison Mineral Field in the northern central region of the Archaean Gum Creek Greenstone belt. The tenement is underlain by Youanmi Terrane greenstones comprised predominantly of mafic volcanic rock with minor gabbroic to ultramafic intrusives and subordinate felsic volcanic sequences. The belt has been metamorphosed to upper greenschist facies. The tenement area is dominated by distal transported surficial cover. Minor more proximal colluvial to subcrop areas are located in the north of the tenement along with occasional ferruginous duricrust remnants which are preserved in places.
<i>Drill hole Information</i>	Significant results are summarized in the body of the announcement. All holes drilled are reported in this announcement. Grid co-ordinates are GDA94, MGA Zone 50. Down hole length is the distance from the surface from the surface to the bottom of the hole, measured along the length of the drill hole. Drill depth is the distance from surface to a point measured along the length of the hole.
<i>Data aggregation methods</i>	No weightings or assay data aggregation methods were applied to the analysis of the data and no metal equivalence was used in any interpretation or analysis of the assay results. Significant results reported are defined as $\geq 0.1\text{g/t Au}$.
<i>Relationship between mineralisation widths and intercept widths</i>	There has been no relationship established, from this first pass RAB drill programme, between reported intercept widths and the mineralised width. The orientation of the mineralisation is unknown given the first pass nature of the exploration.
<i>Diagrams</i>	A plan view and cross section of the drill holes and tabulated intercepts are displayed in the main body of this announcement.
<i>Balanced reporting</i>	All known completed dill holes are reported, including those with no significant assay results.
<i>Other substantive exploration data</i>	No other substantial exploration is known to occur other than that reported in this announcement.
<i>Further work</i>	Follow-up exploration programmes will be designed after integration and analysis of all data sets as discussed in the announcement.