

## **Wingara secures permit for the development of the Raywood site**

**Tuesday, 12 December 2017:**

### **Permit to Develop Raywood into a First Class Export Hay Processing Facility**

Victorian-based agricultural business Wingara Ag Limited (Wingara) is pleased to announce that it has secured the permit from Bendigo City Council to commence the development of its recently purchased 30-hectare site in Raywood, Victoria. The Approved Permit enables Wingara to construct not only a storage facility as originally planned but also a processing facility that can accommodate up to two processing machines with a capacity of 200,000MT of annual processing capacity and storage capacity of 40,000MT. This presents a significant upside compared to originally advised in July, where the development had a planned budget of \$2.2million to complete civil works and construct 10,000MT of storage capacity to support Epsom production volumes for the 2018 hay season.

Following the issuance of the Permit, Wingara plans the development of the project in the first phase to include the commissioning of a processing shed, a new press machine and auxiliary infrastructure to support the processing of export hay with the annual production capacity of 100,000MT at Raywood, with the commissioning date to be in September 2018 quarter. The Company has already finalised negotiation with suppliers to lock-in the installation of a new hay press for delivery in mid-2018. Combined, the Raywood and Epsom sites will support the targeted volume of 70,000MT in FY 2019 and this is to increase to 115,000MT in FY 2020. Settlement of the property and civil works will commence in December 2017. Development of the Project will initially be financed by operating cashflow and existing cash balance. Nonetheless, Wingara management is working with its advisors to develop a suitable capital structure to support its long term growth plan, including the development of Horsham site.

To mitigate the development risk of the Raywood project and improve cost efficiency, Wingara will upgrade its existing press to provide an alternative mixing and packing solution to ensure the new facility at Raywood will be one of the best in the industry. We have worked through the upgrade program in Epsom for the past 4 weeks and are confident that the resulting outcome will ensure we can place ourselves in the first quartile of the average industry cost curve for FY 2019.

The fast tracking of the Raywood project into a processing facility for the 2019FY provides enormous strategic value to Wingara as it will provide the necessary infrastructure for Wingara to move away from relying on high volume production to deliver profitability. The larger site at Raywood will give Wingara the ability to identify and take advantage of arbitrage opportunities in the domestic and international fodder markets. In addition, the larger Raywood site will enable low cost expansion into other agricultural commodities ensuring Wingara delivers on its vision to be an exporter of a diversified portfolio of agricultural products.

Whilst Wingara is still committed to developing the Horsham facility, it will prioritise its activities on delivering Raywood in the 2019FY given it now has an approved permit, and will focus on Horsham's development permit being completed in 2019FY with production being delivered for the 2020FY.

The Epsom Site's future strategic value will be its ability to deliver a profitable product at smaller volumes. To ensure that Wingara's operations stay ahead of the cost curve relative to its domestic and international competitors, Management will look to utilise Epsom as a site to test future technologies in a controlled environment before releasing it into its larger operations. This will prove valuable in the future as Wingara ramp up its operations in Raywood and Horsham.

Wingara Executive Chairman, Gavin Xing, said:

*“We are delighted with the permit grant as it does not only strengthen and support the growth of our existing hay business, it also provides a solid foundation for the expansion plan that everyone at Wingara has been tirelessly working towards. The significance in land size and strategic location of the Raywood facility synergises perfectly with our other sites in Epsom and Horsham to achieve a wide geographic spread within the Victorian agricultural region. This milestone leaves us one step closer to becoming a leading provider and exporter of diversified agricultural products in Victoria.”*

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**About Wingara Ag Limited:**

Wingara Ag Limited aims to be the leader in the sale of agricultural products to the domestic and international markets, particularly focusing on the export of hay products to Asia. By adhering to the highest standards of production we ensure a reliable source of hay to our clients, enabling them to meet their business demands confident in the quality of our product.

We are also dedicated to supporting local producers and our commitment to providing an equitable relationship with Australian farmers allows us to source the best product available. Wingara is committed to ensuring we uphold the highest standards of integrity throughout the organisation, ensuring that we create an environment in which individuals continue to strive to meet our goals.

**Forward-Looking Statements:**

Certain statements made in this release are forward-looking statements and are based on Wingara Ag’s current expectations, estimates and projections. Words such as “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “guidance” and similar expressions are intended to identify forward-looking statements. Although Wingara Ag believes the forward-looking statements are based on reasonable assumptions, they are subject to certain risks and uncertainties, some of which are beyond Wingara Ag’s control, including those risks or uncertainties inherent in the process of both developing and commercialising technology. As a result, actual results could materially differ from those expressed or forecasted in the forward-looking statements. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Wingara Ag will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this release except as required by law or by any appropriate regulatory authority.