



22 January 2020

Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

UPDATE ON STATUS OF RE-COMPLIANCE LISTING ON ASX

Winmar Resources Ltd (**Winmar** or the **Company**) (**ASX Code: WFE**) provides the following update in respect to the continued suspension of the Company's securities on ASX.

In July 2018, the Company announced that it had entered into a Heads of Agreement to establish a new 50/50 joint venture to manage and operate the existing Luapula Processing Facility located near the town of Likasi in the Democratic Republic of Congo (refer ASX Announcement 23 July 2018) (**Acquisition**).

The proposed Acquisition was considered by the Company to have the potential to be transformative as it aimed to become one of the world's leading, publicly listed, primary producers of high-grade cobalt concentrates.

Winmar was advised in 2018 by ASX that on completion, the Acquisition would amount to a significant change in the nature and scale of its activities, and as such the Company would be required to satisfy Listing Rules 11.1.2 and 11.1.3 and obtain approval from its shareholders. The Company's securities have continued to remain in suspension whilst the Company has sought to progress its re-compliance with Chapters 1 and 2 of the ASX Listing Rules and complete the Acquisition.

The Company has over the previous 18 months provided ASX with a number of applications for in-principle advice (**Applications**) summarising the key terms of the Acquisition, the material arrangements, the associated debt and or equity capital raising and the resultant proposed capital structure. The Company has over this period sought to address various concerns raised by ASX in regards to the Acquisition and Applications submitted.

Despite the considerable time that the Company has spent on the Acquisition, the Board has been of the view that it could adequately address all of the concerns raised by ASX and that it considered the Acquisition to be in the best interests of all shareholders. Accordingly the Company has remained committed to progressing re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

The Company received in late December 2019 a response from ASX in regards to submissions lodged in October 2019 and November 2019.

The response received from ASX was almost identical to the one received in November 2018 and which the Company disclosed in its ASX Announcement dated 3 December 2018.

In ASX's December 2019 response to the Acquisition and Applications submitted by the Company, ASX has once again advised that *"there is a significant likelihood that WFE would fail to meet ASX's requirements for admission, were it to proceed with its application"* and furthermore that *"under Listing Rule 1.19, admission to the official list is in ASX's absolute discretion and ASX may grant or refuse admission without giving any reasons."*

ASX further advised that should WFE seek to proceed with an application for admission despite this advice, its application will be formally considered under ASX's admission discretion.

In exercising this discretion, ASX has advised that it will take a number of matters into account. These matters raised by ASX, are predominantly the same as was previously disclosed by the Company in the ASX Announcement dated 3 December 2018 and where the Company has focused its management time in 2019 to seek to address. These matters surround:

- a. Operating Licenses and Permits - for which the Company refers to its ASX Announcement dated 3 December 2018 and executed copies of which have been provided to ASX;
- b. Financial Accounts - for which the Company can confirm that during 2019, it had prepared audited accounts for AHIC and Societe Luapula SARL, completed and signed off in accordance with International Financial Reporting Standards and which were submitted to ASX along with all associated corporate and shareholder documentation in its Applications;
- c. Luapula Processing Facility - for which the Company had an independent valuation and review undertaken in accordance with the written guidelines of the Australasian Institute of Mining and Metallurgy (AusIMM) Valmin Code (2016) and was released in full by the Company in its ASX Announcement dated 19 March 2019.

In ASX's December 2019 response to the Acquisition and Applications, it was noted that the Company had not lodged financial statements for the periods ending 31 December 2018 and 30 June 2019. These financial statements have been prepared by the Company's financial management and are pending sign off by the Company's auditors, with one of the principal reasons for the delayed lodgement of the financial statements has been clarification over ASX's position in respect to the Applications made by the Company in regards to the Acquisition.

The Company now expects to lodge the financial statements for the periods ended 31 December 2018 and 30 June 2019 in the current quarter. Following lodgement, the Notice of Annual General Meeting and accompanying Explanatory Statement will be lodged with ASX. This Notice of Annual General Meeting has already been submitted and approved for release by ASX, pending release of the financial statements for the periods ended 31 December 2018 and 30 June 2019.

Next Steps

The Company has worked extensively with ASX and its advisors over the past 18 months and has provided a substantial amount of supporting documentation and information to ASX in both Sydney and Perth in regards to the proposed Acquisition. The Company has further secured in-principle support from major global commodity trading groups in Europe and from end users in China in respect to offtake and both debt and equity financing that was proposed to be established upon completion of the Acquisition.

The Company is clearly disappointed for its shareholders and other stakeholders that it has not been able to obtain approval for the Applications lodged with ASX for the Acquisition in anything close to a timely manner.

The Board has discussed the response received from ASX with its advisors and has reviewed all available options to it, including but not limited to, re-submission of a further updated Application, a standalone listing of the Luapula Processing Facility on an alternative recognised international stock exchange, an alternative primary listing of the Company and a continued focus by the Company on its existing assets including the Hamersley Iron Project in Western Australia and Bloom Lake Cobalt Project in Canada.

To ensure that the Company is able to address ASX's newly advised policy in respect to "the automatic removal of entities suspended for an unacceptably long period," and specifically in regards to "an entity whose securities have been suspended from quotation for a continuous period of 2 years" the Company believes it is in the best interest of shareholders to focus its operating activities on its existing assets.

The Company does not believe it is in shareholder interests to re-submit an updated Application in respect to the Acquisition.

The Company can confirm that in respect to the Hamersley Iron Project and Bloom Lake Project it has met its statutory exploration obligations on these projects in 2019.

In addition, over the past 6-months it has appointed consultants that have and are in the process of completing further work and implementing exploration and development activities.

Specifically, in regards to the Hamersley Iron Project, the Company has engaged consultants for the following:

1. an updated JORC (2012) Compliant Resource;
2. reviewing and updating the 2014 Hamersley Iron Project Mine Gate Scoping Study;
3. reviewing the 2014 Transport Infrastructure Scoping Study for the Hamersley Iron Ore Project; and
4. updating and reviewing the metallurgical and mineral processing aspects of the project in respect to the proposed initial 2Mtpa dry Direct Shipping Ore Product and expansion to a wet Beneficiated Fines Ore (BFO) Processing Operation at the Hamersley Iron Ore Project.

In regards to the Heads of Agreement to establish a joint venture to manage and operate the Luapula Processing Facility, going forward the Company will not be proceeding with the management and operation of the Luapula Processing Facility.

Further details on the Company's proposed strategy to re-list on the ASX will be finalised over the coming weeks and which will be discussed in the proposed Notice of Annual General Meeting and accompanying Explanatory Statement to be released later this quarter.

If you have any queries, please contact the Company on +61 8 6426 1421

Authorised by The Board of Winmar Resources Limited

For further information please contact:

Jason Brewer
Chairman
Winmar Resources Limited

Forward Looking Statements

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.