



**Winmar Resources Ltd**  
ACN 085 905 997

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**Rights Issue Offer Document**

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An offer to raise approximately \$470,000 by way of a non-renounceable pro-rata offer of 1 New Share for every 1 Share at an issue price of \$0.003 per New Share

The Offer opens on 13 August 2014.

**Valid acceptances must be received by 7.00pm 22 August 2014**

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

## **1. IMPORTANT INFORMATION**

### **1.1 Date**

This Offer Document has been prepared by Winmar Resources Ltd ACN 085 905 997 and is dated 13 August 2014.

### **1.2 No disclosure**

This Offer is being made without a prospectus in accordance with section 708AA of the Corporations Act, as modified by Class Order [CO 08/35]. This Offer Document is not a prospectus or any other form of disclosure document and has not been lodged with ASIC. Accordingly, this Offer Document does not contain all of the information which a prospective investor may require to make a decision as to whether to subscribe for New Shares. Further, this Offer Document does not contain all of the information which would otherwise be required to be disclosed in a prospectus or other form of disclosure document.

This Offer Document is important and should be read in its entirety before deciding to participate in the Offer. This Offer does not take into account, and this Offer Document has been prepared without taking into account, the investment objectives, financial or taxation situation or particular needs of any Applicant.

Before applying for New Shares, each Applicant should consider whether such an investment, and the information contained in this Offer Document, is appropriate to their particular needs, considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

Neither the Company, nor any other person guarantees the repayment of capital or the payment of income. Investors should note that the past Share price performance of the Company provides no guidance to its future Share price performance.

By returning an Entitlement and Acceptance Form, you acknowledge that you have received and read this Offer Document, you are entitled to participate in the Offer, you have acted in accordance with the terms of the Offer detailed in this Offer Document and you agree to all of the terms and conditions as detailed in this Offer Document.

### **1.3 Jurisdiction**

This Offer does not constitute an offer or invitation to subscribe for New Shares in any jurisdiction in which, or to any person whom, it would not be lawful to make such an offer or invitation or issue this Offer Document. In particular, this Offer Document does not constitute an offer to Ineligible Shareholders.

The distribution of this Offer Document in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of this Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

### **1.4 Financial amounts**

Money as expressed in this Offer Document is in Australian dollars unless otherwise indicated.

### **1.5 Publicly available information**

Information about the Company is publicly available and can be obtained from ASIC, ASX and other sources. Any such publicly available information is not incorporated into this Offer Document and does not form part of the Offer. This Offer Document is intended to be read in conjunction with publicly available information in relation to the Company which has been notified to ASIC and ASX. Investors should have regard to that information prior to making a decision to subscribe for New Shares pursuant to the Offer.

### **1.6 Definitions**

Certain terms used in this Offer Document are defined in the Glossary, which is contained in section 7 of this Offer Document.

## **1.7 Not financial product advice**

The information contained in this Offer Document is not and should not be considered to be financial product advice. The information is general only and has been prepared without any actual or implied knowledge or consideration of the investment objectives, financial situation, taxation position or other particular needs or requirements of you or any other person. You should read this Offer Document in its entirety and seek independent professional advice prior to participating in the Offer.

## **1.8 No recommendation**

The information contained in this Offer Document is not a recommendation by the Company (or its officers, employees, agents or advisers) to any person that they should subscribe for New Shares pursuant to the Offer.

## **1.9 Disclaimer**

To the maximum extent permitted by law, no representation, warranty or undertaking, express or implied, is made, and to the maximum extent permitted by law, no responsibility or liability is assumed by the Company or its related entities or by any of its officers, employees, agents or consultants or any other person as to the adequacy, accuracy, completeness or reasonableness of this Offer Document. To the maximum extent permitted by law, no responsibility is accepted for errors or omissions from this Offer Document, whether arising out of negligence or otherwise.

## **1.10 Future performance and forward looking statements**

Neither the Company nor its Directors or any other person warrants or guarantees the future performance of the New Shares. Forward looking statements, opinions and estimates provided in the Offer Document are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward looking statements including projections and estimates are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Offer Document.

## **1.11 Risks**

Please refer to the non-exhaustive summary of risks relating to the Offer contained in section 6 of this Offer Document.

## **1.12 Enquiries**

If you have any questions in relation to the Offer, please contact your stockbroker, solicitor, accountant or other professional adviser. If you have any questions with respect to completing the Entitlement and Acceptance Form, please contact our registered office, on +61 2 8243 7517.

## **1.13 Taxation consequences**

You should be aware that there may be taxation implications associated with subscribing for New Shares pursuant to the Offer. The Company does not consider it appropriate to give advice regarding the taxation consequences of subscribing for New Shares under this Offer Document or the subsequent disposal of any New Shares allotted and issued under this Offer Document. No responsibility or liability whatsoever is accepted by the Company, its officers or advisers in relation to the taxation consequences of the Offer. The Company recommends that all Eligible Shareholders consult their own professional tax advisers in connection with the Offer.

## **1.14 Privacy**

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly, or to the Share Registry). The Company collects, holds and uses that information to assess your

application, service your needs as a Shareholder, and facilitate distribution payments and corporate communications to you as a Shareholder.

Company and tax law requires some of this information to be collected. If you do not provide the requested information, the Company may be unable to process your Application. You can access, correct and update the personal information we hold about you by contacting the Share Registry. Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act, the Corporations Act and rules such as the ASTC Settlement Rules.

#### **1.15 Entire Agreement**

The terms contained in this Offer Document constitute the entire agreement between the Company and each Applicant as to the Offer and each Applicant's participation in the Offer, to the exclusion of all prior representations, understandings and agreements between the Company and each Applicant.

## 2. INDICATIVE TIMETABLE

<b>Announcement of the Offer</b> (Offer Document, s708AA cleansing notice and Appendix 3B lodged with ASX)	Prior to 10.00am (Sydney time) on 04 August 2014
<b>Notice sent to security holders containing the information required by Appendix 3B</b>	05 August 2014
<b>Shares quoted on an "Ex Entitlement" basis</b>	06 August 2014
<b>Record Date</b>	7.00pm (Sydney time) on 08 August 2014
<b>Offer Document sent to Eligible Shareholders</b>	13 August 2014
<b>Closing Date</b>	7.00pm (Sydney time) on 22 August 2014
<b>Shares quoted on a Deferred Settlement basis</b>	25 August 2014
<b>Shortfall notification date</b>	27 August 2014
<b>Allotment of New Shares</b>	29 August 2014
<b>Despatch date</b>	29 August 2014
<b>Trading on ASX of New Shares</b>	30 August 2014

The timetable outlined above is indicative only and is subject to change. The Company reserves the right to vary these dates without prior notice, subject to compliance with the Corporations Act and the Listing Rules. The Company reserves the right to withdraw the Offer at any time before the allotment and issue of the New Shares in its absolute discretion.

### 3. CHAIRMAN'S LETTER

Dear Shareholders,

We are pleased to provide the following update on your Company's positive progress at its highly prospective Hamersley Iron Project (HIP, Project) in the Pilbara Region of Western Australia.

Despite the ongoing challenging environment for junior exploration companies, Winmar continues to advance the Project. The 2013-2014 financial year exploration budget approved by the Winmar Exploration Joint Venture (WEJV) Management Committee has progressed to plan, with the Company recently announcing the results of its Mine Gate scoping study, confirming the economic viability of the Project.

The purpose of the scoping study was to assess the Project viability, and determine the size of mining inventory and associated costs for input into financial modeling. The mine planning work completed to date focused only on the Indicated Category (**42.6Mt at 55.2% Fe**) of the Total Mineral Resource (**343.2Mt at 54.5% Fe**) and indicates that the Project is economically viable at forecast iron ore prices for the grades anticipated. Key takeaways from the study include:

- Winmar can start a Mining Operation with a 2Mtpa dry Direct Shipping Ore (DSO) product
- Supported with cash flow after 3-4 years, the mine would look to introduce a wet Beneficiated Fines Ore (BFO) processing operation
- Life of Mine is expected to be a minimum of 14 years for a combined DSO/BFO operation at a 57% Fe grade
- An encouraging Cash Flow and positive NPV at a wide range of iron ore prices

The economic viability of a mine gate study focused purely on the Indicated category of the Mineral Resource which represents a major validation of our exploration model and development plans for the Project, and provides a pathway to a potential Direct Shipping Ore (DSO) operation.

Winmar, through its advisers, has undertaken preliminary discussions with some Chinese steel mills in regards to the saleability of its HIP product. The feedback we received to date appears to confirm that the product is eminently saleable; attracting only slight penalties based on the comparable high combined Silica and Alumina content. The comparably low Phosphorous and Sulphur content and favourable sizing of the product is viewed as a positive by the market.

The WEJV Management Committee will now move forward with Infrastructure scoping study-level development plans for the project. Both scoping studies will provide key information to assist in discussions with multiple parties when identifying and collaborating on strategic infrastructure solutions in line with the project's development plan.

The Company is now pleased to invite eligible shareholders to participate in a 1:1 non-renounceable rights issue, to help further progress our exploration and development plans for the Hamersley Iron Project.

The project priorities in the 2014-15 financial year include:

- Moving forward with infrastructure access negotiations
- Improving Metallurgical knowledge of the Indicated category
- Base line environmental and hydrological studies
- Conduct a geotechnical assessment of the mine exit road
- Determine the condition and acceptability of the existing roads for haul road traffic
- Commence discussions with local shire road owners to determine gaining access to the existing roads.
- Undertake further marketing studies

During the June 2014 quarter, Winmar progressed the Indigenous Land Use Access (ILUA) agreement via bilateral negotiations with the representatives of the Eastern Gumura people (WGAC), in parallel to applying for Future Act Determination by the National Native Title Tribunal. Winmar, through its legal representatives, DLA Piper, can confirm that a Native Title Deed has been agreed to, and an ILUA is expected to be secured with the Eastern Gumura people. Upon registration of the ILUA, the Mining Lease application 47/1450 will be recommended to the Minister for granting.

Despite the inclement environment, your Board and management believe Winmar represents good value, in our opinion, when measured against our peers in the Pilbara Regions.

On behalf of the Board and management, we look forward to keeping shareholders informed of our progress and thank you again for your continued support of Winmar Resources Limited.

Yours sincerely,

**Alex Alexander**  
Chairman  
Winmar Resources Limited

## 4. DETAILS OF THE OFFER

### 4.1 Overview

Winmar is seeking to raise approximately \$470,000 by way of a non-renounceable offer to Eligible Shareholders of 1 New Share for every 1 Share held on the Record Date at an issue price of \$0.003 per New Share. Fractional entitlements will be rounded up to the nearest whole number of New Shares. An Entitlement and Acceptance Form setting out your Entitlement to New Shares accompanies this Offer Document. If you do not take up your Entitlement, your shareholding in Winmar will be diluted.

Eligible Shareholders should be aware that an investment in Winmar involves risks and Eligible Shareholders should consider the investment in the context of their individual risk profile, investment objectives and individual financial circumstances (see section 6).

### 4.2 The Offer

The Company is offering Eligible Shareholders the opportunity to subscribe for additional fully paid ordinary shares in the Company (**New Shares**).

To be eligible to participate in the Offer, you must:

- (a) be registered as a Shareholder at 7.00pm (Sydney time) on 08 August 2014 (**Record Date**); and
- (b) have an address in Australia or New Zealand as recorded at the Share Registry as at the Record Date.

Eligible Shareholders will be entitled to apply for 1 New Share for every 1 Share held at an issue price of \$0.003 per New Share (**Issue Price**).

### 4.3 New Shares

New Shares issued pursuant to this Offer will be fully paid and rank equally with existing Shares.

The rights and liabilities attaching to the New Shares are set out in the constitution of the Company and in the Corporations Act.

### 4.4 No Rights trading

As your Entitlement is non-renounceable, you will not be able to trade your Entitlement on ASX or otherwise dispose of your Entitlement to any other party.

### 4.5 Overseas Shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Offer Document in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Offer Document should seek advice on, and observe any, of these restrictions. Failure to comply with these restrictions may violate securities laws. No action has been taken to register or qualify these Shares or otherwise permit a public offering of the Shares the subject of this Offer Document in any other jurisdiction.

In accordance with Listing Rule 7.7 and section 9A of the Corporations Act, no Offer is being made to Shareholders who have a registered address outside of Australia and New Zealand. The Company has determined that it would be unreasonable to make the Offer of New Shares to Ineligible Shareholders having regard to the number of Ineligible Shareholders, the number and value of the New Shares that would otherwise be offered and the costs of complying with the legal and regulatory requirements of those jurisdictions.

Eligible Shareholders should consult their professional advisers as to whether any government or other consents are required, or other formalities need to be observed, to enable them to exercise their Entitlements under the Offer.



The return of a completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and there has been no breach of laws in connection with the Applicant's ability to participate in the Offer.

In making the Offer to Eligible Shareholders in New Zealand, the Company is relying on the *Securities Act (Overseas Companies) Exemption Notice 2002* (New Zealand) by virtue of which this Offer Document is not required to be registered in New Zealand.

#### 4.6 Use of funds

If the Offer is fully subscribed it will raise approximately \$470,000. These funds will be applied in the following manner:

1. Pre-feasibility studies including: in-fill Diamond Core drilling and Bulk Sampling of the Indicated Mineral Resource; associated Metallurgical studies to understand the characteristics of the ore; and, Environmental studies and approvals.
2. Identify and collaborate on strategic infrastructure solutions in line with the project's scoping study. Both road and rail opportunities are being pursued with associated port opportunities.
3. General working capital requirements.

#### 4.7 Cleansing Notice

The Company has lodged with ASX a cleansing notice in accordance with section 708AA(7) of the Corporations Act which sets out the effect of the Offer on the control of the Company, taking into account the identity and current shareholdings. This notice may be reviewed on the Company's website [www.winmarresources.com.au](http://www.winmarresources.com.au) and in the Company's releases on ASX.

#### 4.8 Effect on capital structure

The following table illustrates the changes in the capital structure of the Company that will occur as a consequence of the Offer, **assuming the Offer is fully subscribed**.

Issued Shares at the date of this Offer Document	184,411,931 Shares
New Shares which will be issued as part of the Offer	156,320,273 Shares*
Issued Shares following completion of the Offer	340,732,204 Shares*

*\*Due to rounding of Entitlements, the exact number of New Shares to be issued will not be known until completion of the Offer. This also assumes none of the options on issue will be exercised before the exercise date of the options.*

Eligible Shareholders who take up their Entitlement in full will not be diluted as a result of the Offer. Eligible Shareholders who do not take up all of their Entitlements and Ineligible Shareholders will be diluted.

#### 4.9 Effect on Control

The issue of the New Shares by the Company is not intended to have any material effect or consequence on the control of the Company. If all Shareholders take up their full Entitlement there will not be any change in the control of the Company as a result of the Offer.

However, if all Eligible Shareholders who are not Substantial Shareholders do not take up any of their Entitlement and the Substantial Shareholders take up their full Entitlement there will be a change in the control of the Company as described in the table below. There will not be any consequences as a result of these potential changes in the control of the Company.

**Table outlining the potential impact of the Offer on the control of the Company by existing Substantial Shareholders**

	Shareholder	A		B	
		Shares	%	Shares	%
{1}	Fangda Iron and Steel (Asia) Corporation Ltd	21,500,000	11.66%	21,500,000	11.66%
	Albert Wong	11,258,056	6.10%	22,516,112	11.51%

**Legend**

<b>A</b>	Current Shareholding and percentage interest of the Substantial Shareholder.
<b>B</b>	Shareholding of the Substantial Shareholder if that Shareholder accepted their full Entitlement and no other Shareholders participated in the Offer.
<b>{1}</b>	Ineligible to participate in the Offer as it does not have an address in Australia and because the Offer is not being made to all Shareholders.

**4.10 No brokerage**

Eligible Shareholders who participate in the Offer will not be charged brokerage or commissions in relation to their acceptance of their Entitlement.

**4.11 CHESS**

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532 (**ASTC**), a wholly owned subsidiary of ASX operates CHESS in accordance with the Listing Rules and ASTC Settlement Rules. Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are registered in the issuer sponsored sub-register, your statement will be despatched by the Share Registry and will contain the number of New Shares issued to you under this Offer Document and your security holder reference number. A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their holding changes.

#### **4.12 Fangda Iron and Steel (Asia) Corporation Ltd (Fangda) – an ineligible Shareholder**

Fangda, a major shareholder with more than 10% of the issued Shares, is ineligible to participate in this Offer as it does not have an address in Australia or New Zealand and because the Offer is not being made to all Shareholders.

#### **4.13 ASX Quotation**

Winmar has made an application to the ASX for the New Shares to be granted quotation on the ASX. If permission is not granted for quotation of the New Shares on the ASX, then no allotment and issue of any New Shares will take place and any Application Monies (without interest) will be returned in full to Applicants.

Trading of New Shares will, subject to the ASX approval, occur on or about the date specified in the Timetable.

#### **4.14 Allotment and despatch of holding statements**

Subject to the New Shares being granted quotation on the ASX, the New Shares will be allotted and issued and holding statements despatched in accordance with the Timetable. It is expected that despatch of holding statements and allotment and issue of New Shares will take place on or about 29 August 2014.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk.

#### **4.15 Additional Shares**

In accordance with Exception 3 of Listing Rule 7.2, the Company may place any Shortfall of New Shares (**Shortfall Shares**) at its discretion for up to 3 months after the Closing Date. The issue price of any Shortfall Shares will be \$0.003, being the price and terms at which the Entitlement has been offered to Eligible Shareholders pursuant to this Offer Document. Each Eligible Shareholder in Australia or New Zealand may apply for additional New Shares in excess of their Entitlement (**Additional Shares**) during the Offer Period only, which the Company may issue to them at its discretion as part of the Shortfall. It is currently the Company's intention that any such applications for Additional Shares will be accepted and allocated on a pro rata basis.

#### **4.16 Discretions**

Without limiting the other powers and discretions set out in this Offer Document, the Directors (or their delegate for this purpose) may implement the Offer in the manner they think fit and settle any difficulty, anomaly or dispute which may arise either generally or in a particular case in connection with, or by reason of, the operation of the Offer or a matter in this Offer Document, as they think fit, whether generally or in relation to any Shareholder or any Shares, and the determination of the Directors (or their delegate) is conclusive and binding on all relevant Shareholders and other persons to whom the determination relates.

#### **4.17 Governing Law**

This Offer Document, the Offer and the contracts formed on acceptance of Applications are governed by the laws applicable in New South Wales. Each Applicant submits to the exclusive jurisdiction of the courts of New South Wales.

## 5 YOUR CHOICES

### 5.1 Options available to Eligible Shareholders

If you are an Eligible Shareholder, you may:

- (a) take up **all or part** of your Entitlement, in which case your proportionate shareholding will:
  - (i) remain the same if you take up all of your Entitlement; or
  - (ii) be diluted if you take up only part of your Entitlement; or
- (b) apply for **more than** your Entitlement, in which case your proportionate shareholding will:
  - (i) increase if you are allocated any Shortfall Shares; or
  - (ii) remain the same if you are not allocated any Shortfall Shares; or
- (c) do nothing, in which case you will **not take up** your Entitlement and your proportionate shareholding in the Company will be diluted.

### 5.2 How to accept the Offer

- (a) Pay by cheque, money order or bank draft

If you wish to take up all or part of your Entitlement and pay for the New Shares by cheque, money order or bank draft, you should complete the personalised Entitlement and Acceptance Form accompanying this Offer Document (for all of the New Shares offered to you or such lesser number you wish to accept) in accordance with the instructions set out on the form. If you also wish to apply for any Shortfall Shares, you will also need to complete Section B of the Entitlement and Acceptance Form in accordance with the instructions set out on the form.

Completed forms should be forwarded, together with your cheque, money order or bank draft for the amount due in respect of the number of New Shares you have applied for (being that number multiplied by the Issue Price), so that it is received by the Share Registry at the following address by no later than **7.00pm (Sydney time) on 22 August 2014**:

By mail:

Winmar Resources Ltd  
c/- Advanced Share Registry Services  
150 Stirling Highway, Nedlands,  
WA, AUSTRALIA, 6009

Hand delivery:

Winmar Resources Ltd  
c/- Advanced Share Registry Services  
Level 6, 225 Clarence Street,  
Sydney NSW 2000

Cheques, money orders and bank drafts will only be accepted in Australian currency and must be drawn on an Australian financial institution, made payable to "Winmar Resources Ltd Share Issue Account" and crossed "not negotiable".

Cash will not be accepted. Receipts for payment will not be issued.

- (b) Pay by BPAY®

Alternatively, you may wish to make payment through the BPAY® facility according to the instructions set out on the Entitlement and Acceptance Form. Payment must be received **7.00pm (Sydney time) on 22 August 2014**. Shareholders should be aware of the time required to process payments by BPAY® in choosing the appropriate application and payment method. If you make your payment by BPAY® you do not need to lodge the Entitlement and Acceptance Form.

### 5.3 Shortfall Facility

Eligible Shareholders may, during the Offer Period, apply for New Shares in addition to their Entitlement under the Shortfall Facility. The Shortfall Facility allows the Company to place the Shortfall Shares with Eligible Shareholders and third parties so that the maximum amount can be raised under the Offer.

For Eligible Shareholders wishing to take up Shortfall Shares please indicate the number of New Shares in addition to your Entitlement that you wish to subscribe for. The Application Amount can be calculated as follows:

$$\text{Application Amount} = \text{Number of Shortfall Shares applied for} \times \$0.003 + \text{Amount shown on Entitlement and Acceptance Form}$$

### 5.4 Allocation of Shortfall Shares

The following rules apply to the allocation of Shortfall Shares:

- (a) there is no guarantee that any participating Shareholder will receive Shortfall Shares under the Shortfall Facility, however, all participating Shareholders will receive at least their Entitlement;
- (b) the Board reserves its right to scale back applications for Shortfall Shares and the Board's decision is final; and
- (c) the Board reserves its right to place the Shortfall Shares with Eligible Shareholders participating in the Shortfall Facility and third parties (subject to the Listing Rules and the Corporations Act).

The Board intends to issue the Shortfall Shares at its discretion within 3 months from the Closing Date.

### 5.5 Declining to take up your Entitlement

If you decide not to participate in the Offer, you do not need to fill out or return the accompanying Entitlement and Acceptance Form. You will receive no payment for any Entitlement not taken up.

You should note that the Company is not required to issue any New Shares to a person accepting the Offer under this Offer Document unless:

- (a) the Share Registry receives a completed Entitlement and Acceptance Form and a cheque, money order or bank draft for the full amount due in respect of the New Shares by **7.00pm (Sydney time) on 22 August 2014** and there are sufficient funds in the account on which the cheque, money order or bank draft is drawn so that the cheque, money order or bank draft clears in favour of the Company when it is first presented for payment; or
- (b) payment is received via the BPAY® facility for the relevant number of New Shares by **7.00pm (Sydney time) on 22 August 2014**.

Receipt of your payment will constitute acceptance in accordance with, and your agreement to, the terms of the Offer, including those set out in this Offer Document.

If you take up only some of your rights, your remaining rights will lapse as set out in the section below.

### 5.6 Allow entitlements to lapse

If you do not wish to exercise any or part of your Entitlement, you are not required to do anything. In that case, the Entitlement will lapse without any benefit to you. By not taking any action and not taking up your Entitlement your shareholding in Winmar will be diluted.

### 5.7 Application is unconditional

You cannot withdraw your application once it has been accepted.

## **6. RISKS**

An investment in New Shares should be regarded as speculative and is a decision which is subject to the same type of risks which are ordinarily associated with purchasing company shares in ASX listed companies. The brief summary of risk factors set out below is not exhaustive. Eligible Shareholders should consider these risks carefully and, if they are in any doubt, should consult their financial, legal or other professional adviser.

### **6.1 General risks**

As is the case with any investment listed on ASX, the value of New Shares may rise above or fall below the Issue Price. Movement in the Company's share price may be attributable to any number of factors associated with financial and operating conditions. Similarly, external factors may have a bearing on the value of New Shares, over which the Company has no control.

These external factors include (but are not limited to):

- (a) economic conditions in Australia and overseas;
- (b) share market fluctuations;
- (c) interest and inflation rates;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital;
- (f) liquidity of Shares and the lack of an active market for Shares;
- (g) changes in fiscal, monetary, regulatory and other government policies;
- (h) geo-political conditions such as acts or threats of terrorism or military conflicts; and
- (i) any future changes to tax laws or accounting standards.

### **6.2 Company specific risks**

Other key risks specific to the Company are set out below

#### **Economic viability of any deposit**

There is no assurance that the exploration of the tenements the Company has an interest in (Tenements), or any tenements acquired in the future, will result in the discovery of a mineral deposit. Even if a apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

#### **Tenement conditions**

Tenements carry with them annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose its 51% beneficial interest in the Hamersley Iron Project or have its share diluted if licence conditions are not met or if sufficient funds are not available to meet expenditure commitments (both regulatory and those imposed under the terms of the Winmar Exploration Joint Venture agreement).

#### **Additional requirements for capital**

If the Company is unable to obtain additional financing as needed, it may not be able to fulfill its Joint Venture obligations and liabilities in relation to the Hamersley Iron Project. In turn, the Company rights in respect to the tenements may be extinguished.

### **Environmental regulations**

As with most exploration projects, the Company's operations are expected to have an impact on the environment. In addition, the Company may be unable to obtain the necessary government/environmental approvals for its proposed operations.

### **Market conditions**

Economic conditions as well as market share volatility may affect the Company's share price performance regardless of the Company's operating performance.

### **Operational and Technical Risks**

Operational and technical risks include weather, geology, equipment availability, contracting risk, joint venture alterations to work programs and budgets, and employee'/resource shortages.

### **Title**

The future viability and profitability of the Winmar will depend upon obtaining the renewal of the term of the Tenement. Such renewal is at the discretion of the Department.

If the Licence is not renewed, the Company may suffer significant damage through loss of the opportunity to develop and discover iron ore deposits on the Tenement.

### **Native Title and Land Access**

The activities of Winmar Resources in Australia are subject to the Native Title Act. Native title and aboriginal land rights may affect the Company's ability to gain access to prospective exploration areas on the Tenement. Compensatory obligations may be necessary in relation to settling native title claims lodged over any undeveloped area in the Tenement.

Within Australia, commonwealth and state legislation also allows for the protection of sites of significance to Aboriginal custom and tradition. The Company is aware of its obligations in this respect and will carry out surveys prior to conducting any exploration work on the Tenement that would disturb the surface of the land.

### **Future capital requirements**

The Company believes that on completion of the Offer and on receipt of cash flow from the Hamersley Iron Project, it will have sufficient working capital to both continue its current operations and to explore the Tenement.

The funding of any further ongoing capital requirements beyond this will depend upon a number of factors including the extent of the Company's ability to generate income.

Should the Company require additional funding there can be no assurance that additional financing will be available on acceptable terms, or at all. Any inability to obtain additional finance, if required, would have an adverse material effect on the Company's business, its financial condition and performance and its ability to continue as a going concern.

## 7. GLOSSARY

When reading the Offer Document the following terms have the following meanings unless the context otherwise requires:

<b>Additional Shares</b>	New Shares in excess of a Shareholder's Entitlement.
<b>Applicant</b>	a person who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form.
<b>Application</b>	an application for New Shares pursuant to the Offer.
<b>Application Amount</b>	the amount calculated in accordance with the formula in section 5.3 of this Offer Document where an Eligible Shareholder wishes to take up Shortfall Shares in addition to their Entitlement under the Shortfall Facility.
<b>Application Monies</b>	funds accompanied by an Entitlement and Acceptance Form.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>Associate</b>	has the meaning it has in the Corporations Act.
<b>ASTC Settlement Rules</b>	the operating rules of the settlement facility operated by the Australian Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.
<b>ASX</b>	ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires.
<b>Board</b>	the board of Directors of the Company.
<b>Class Order</b>	a class order issued by ASIC.
<b>Closing Date</b>	<b>7.00pm (Sydney time) on 22 August 2014.</b>
<b>Company or Winmar</b>	Winmar Resources Ltd ACN 085 905 997.
<b>Competent Person</b>	has the meaning it has in the JORC Code.
<b>Corporations Act</b>	<i>Corporations Act 2001 (Cth)</i> .
<b>Deferred Settlement</b>	a settlement in which the obligation to settle on a trade date plus 3 business days (T+3) basis is deferred until the time following the despatch date that ASX fixes.
<b>Department</b>	The Western Australian Department of Mines and Petroleum.
<b>Directors</b>	the directors of the Company.
<b>Eligible Shareholder</b>	a Shareholder who is eligible to participate in the Offer in accordance with the terms of this Offer Document.
<b>Entitlement</b>	the number of New Shares each Eligible Shareholder is offered under the Offer as designated on their personalised Entitlement and Acceptance Form.
<b>Entitlement and Acceptance Form</b>	the application form which is included in or accompanies this Offer Document.



<b>Ex Entitlement</b>	a date that is subsequent to the date on which Shares can be purchased in order for a purchaser to be identified as a Shareholder on the Record Date.
<b>Ineligible Shareholder</b>	a Shareholder who is unable to participate in the Offer because they do not meet the eligibility criteria contained in this Offer Document.
<b>Issue Price</b>	\$0.003 per Share.
<b>JORC Code</b>	the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”.
<b>Listing Rules</b>	ASX Listing Rules.
<b>Mineral Resource</b>	mineralisation that complies with the requirements for a resource under the JORC Code.
<b>Native Title Act</b>	the <i>Native Title Act 1993 (Cth)</i> .
<b>New Shares</b>	Shares offered under this Offer Document.
<b>Offer</b>	the offer of New Shares under this Offer Document.
<b>Offer Document</b>	this document.
<b>Offer Period</b>	the period between <b>13 August 2014 inclusive and 22 August 2014 inclusive</b> .
<b>Privacy Act</b>	<i>Privacy Act 1988 (Cth)</i> .
<b>Record Date</b>	the date used to identify Shareholders entitled to participate in the Offer.
<b>Share</b>	a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	a holder of Shares in the Company as recorded on the Share Registry.
<b>Share Registry</b>	Advanced Share Registry Limited ACN 127 175 946.
<b>Shortfall</b>	the difference between the number of New Shares offered pursuant to this Offer Document and the number of New Shares for which no Applications have been received.
<b>Shortfall Facility</b>	the mechanism under which the Company may issue Shortfall Shares to Eligible Shareholders or third parties.
<b>Shortfall Shares</b>	the New Shares that are not subscribed for by Shareholders pursuant to their Entitlements and which may be allocated by the Directors at their absolute discretion.
<b>Substantial Shareholder</b>	has the meaning it has in the Corporations Act.
<b>Tenement</b>	Exploration Licence E47/1617.
<b>Timetable</b>	The indicative timetable in section 2 of this Offer Document.