

# ASX Announcement

29 JANUARY 2021



## Quarterly Activities Report for the Period Ending 31 December 2020

### HIGHLIGHTS

- ✦ Westar completed a heavily oversubscribed \$5 million IPO and commenced trading on the ASX on 17 December 2020.
- ✦ 7,385-line km of geophysical surveys completed at Mt Magnet, Sandstone and Pilbara Projects.
- ✦ Detailed geophysical interpretation and targeting review completed by Southern Geoscience Consultants at the Mt Magnet Coolaloo Project, defining 12 gold targets.
- ✦ Auger geochemical programs completed at the Mt Magnet Projects with assays received.
- ✦ Regolith evaluation drilling completed at Gidgee South as a precursor to a more extensive drilling program planned for late Q1/early Q2 CY2021.
- ✦ Ramelius Resources continuing farm-in activities at Mt Finnerty and Parker Dome ahead of drilling.
- ✦ Westar planned Q1 CY2021 activities including drilling at multiple projects and priority targets, geophysical interpretations

Westar Resources Limited (ASX:WSR) (**Westar, the Company**) is pleased to provide an update on exploration activities during the December 2020 Quarter, following the company's admission to the official list of the Australian Stock Exchange (ASX) on 17 December 2020.

Westar Managing Director Karl Jupp commented *"The outstanding support of our existing and new shareholders has placed Westar in a strong position to rapidly progress exploration across on our high-priority targets, with drilling planned to commence later in Q1, CY2021."*



#### Registered Address

Westar Resources Limited  
ACN 635 895 082  
ABN 66 635 895 082

#### Board Members

Karl Jupp Managing Director & CEO  
Simon Eley – Non-Executive Chairman  
Nathan Cammerman – Non-Executive Director

#### Gold Projects

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



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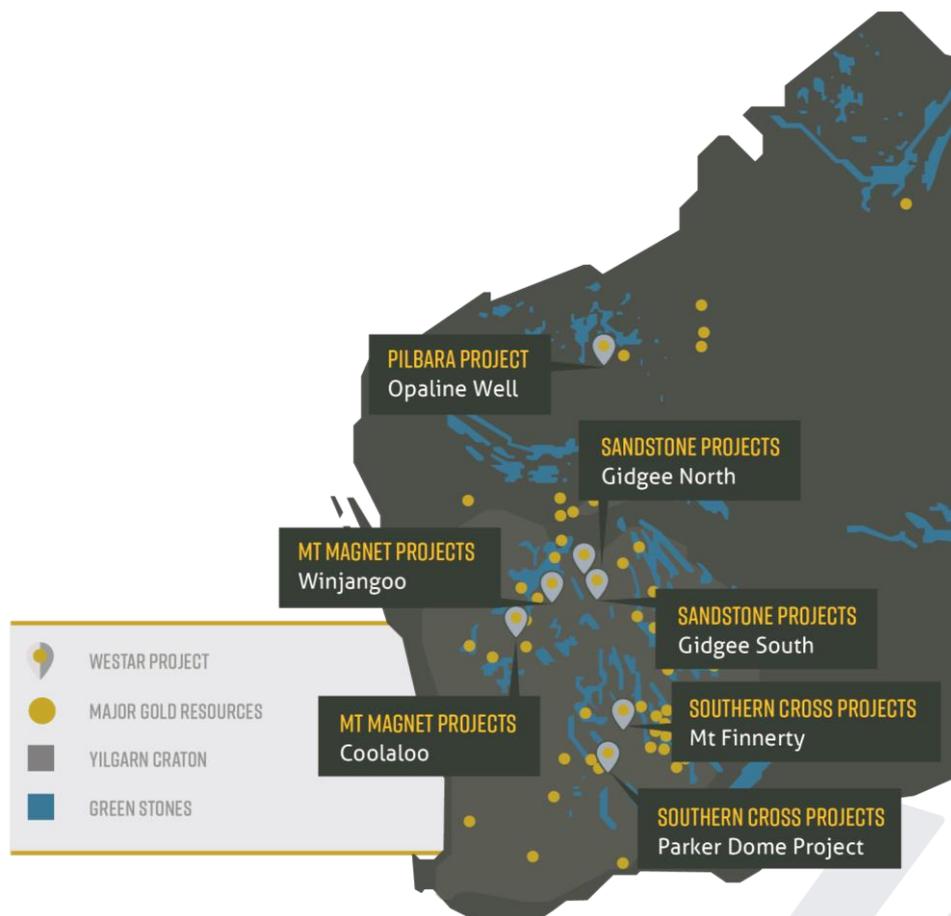
Shares on Issue	0,000,000
Share Price	0.255
Market Cap	11.84M
ASC Code	WSR

## Company Projects

Westar holds 100% ownership over seven 7 projects in Western Australia. The Sandstone Projects, Gidgee South and Gidgee North, the Mt Magnet Projects, Winjangoo and Coolaloo and the Pilbara Project, Opaline Well. The Southern Cross Projects, Mt Finnerty and Parker Dome, are and held by Westar under a farm-in/JV agreement with Ramelius Resources Ltd having the right to earn a 75% interest.

Westar's three-pronged exploration rationale is summarised as;

- 1) Maximise discovery potential of key assets through diligent application of capital and resources, utilising best practice systematic exploration and technology.
- 2) Diversify risk on appropriate assets through partnering with fast-moving companies with reputations for building mines; and
- 3) Continuously evaluate a pipeline of prospective opportunities under the mantra 'succeed swift or fail fast'.



**Figure 1** – Location map of Westar gold projects in Western Australia

## Sandstone Projects – Gidgee North & Gidgee South

The Company's Sandstone Projects are comprised of two granted exploration licences - Gidgee South (E57/1055) and Gidgee North (E53/1920), covering 255 km<sup>2</sup> and located approximately 640 km northeast of Perth and 700 km north-northwest of Kalgoorlie.

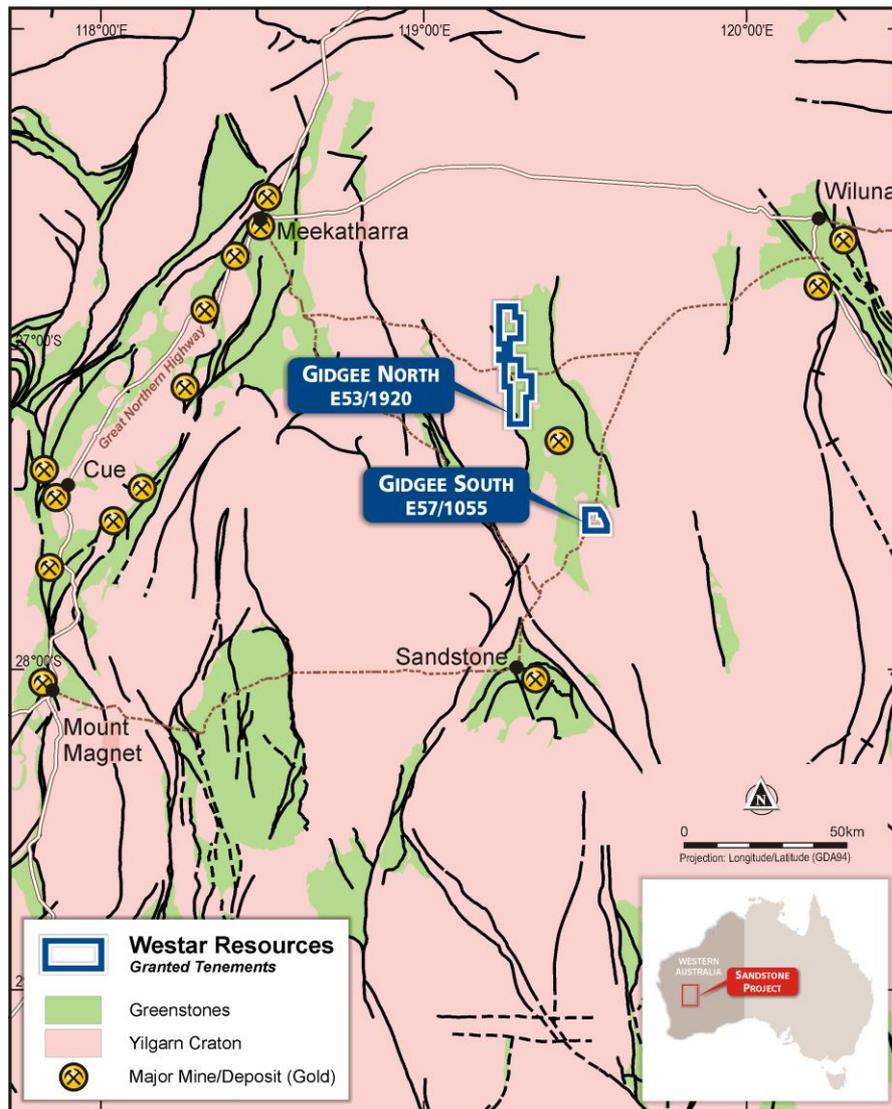
Historical exploration over the projects includes surface geochemistry, limited, shallow rotary air blast (RAB) drilling and a SkyTEM (airborne electromagnetic survey) over parts of Gidgee North. Historical workings at Gidgee South extend south from the excised historic Birrigrin Mining Centre, through a previously identified geochemical anomaly, towards an area of more recent dry blowing activity, commonly used in prospecting for gold nuggets.

Activities in the quarter at Gidgee North included:

- An airborne geophysical survey (magnetic and radiometric) at 100m line spacing, with subsequent data processing and image generation completed by Southern Geoscience Consultants (SGC).
- SGC completed an initial assessment of historical SkyTEM data which was flown over parts of the Gidgee North project in 2015 by Panoramic Resources (now Open File Data). The results of the assessment are under internal review.
- An Independent appraisal of the Gidgee North and Gidgee South historical geochemical datasets by CSA Global. The results of the assessment are under internal review.

Activities in the quarter at Gidgee South included:

- An airborne geophysical survey (magnetic and radiometric) at 50m line spacing, with subsequent data processing and image generation completed by Southern Geoscience Consultants.
- A regolith evaluation and orientation aircore drilling program comprising 41 holes for 469 metres was completed to assess the regolith profile ahead of a more extensive drilling program. Results were subsequently announced (*see WSR ASX Announcement, 28 January 2021, "Gidgee South Geophysical Survey Identifies Significant Trends"*)



**Figure 2** – Location map of Westar’s Sandstone Projects, Gidgee North and Gidgee South

## Mt Magnet Projects – Winjangoo & Coolaloo

The Mount Magnet Projects are comprised of two granted exploration licences; the Winjangoo Project (E58/536) and the Coolaloo Project (E59/2329), situated in the Murchison Mineral Field and proximal to the historical mining centre of Mount Magnet which has historically produced over six million ounces of gold since the initial discovery in 1891. The Mount Magnet Projects cover approximately 224 km<sup>2</sup>.

At Winjangoo historical exploration is limited to geochemical programs, desktop studies, regional geophysical programs and geological mapping over portions of the project area. The historical exploration activities at Coolaloo, whilst somewhat more extensive than Winjangoo, are considered by

Westar to be largely ineffective due to inadequate data sets used to develop targeting criteria and the generally shallow depths achieved over several small drilling campaigns.

Activities in the quarter at Winjangoo included:

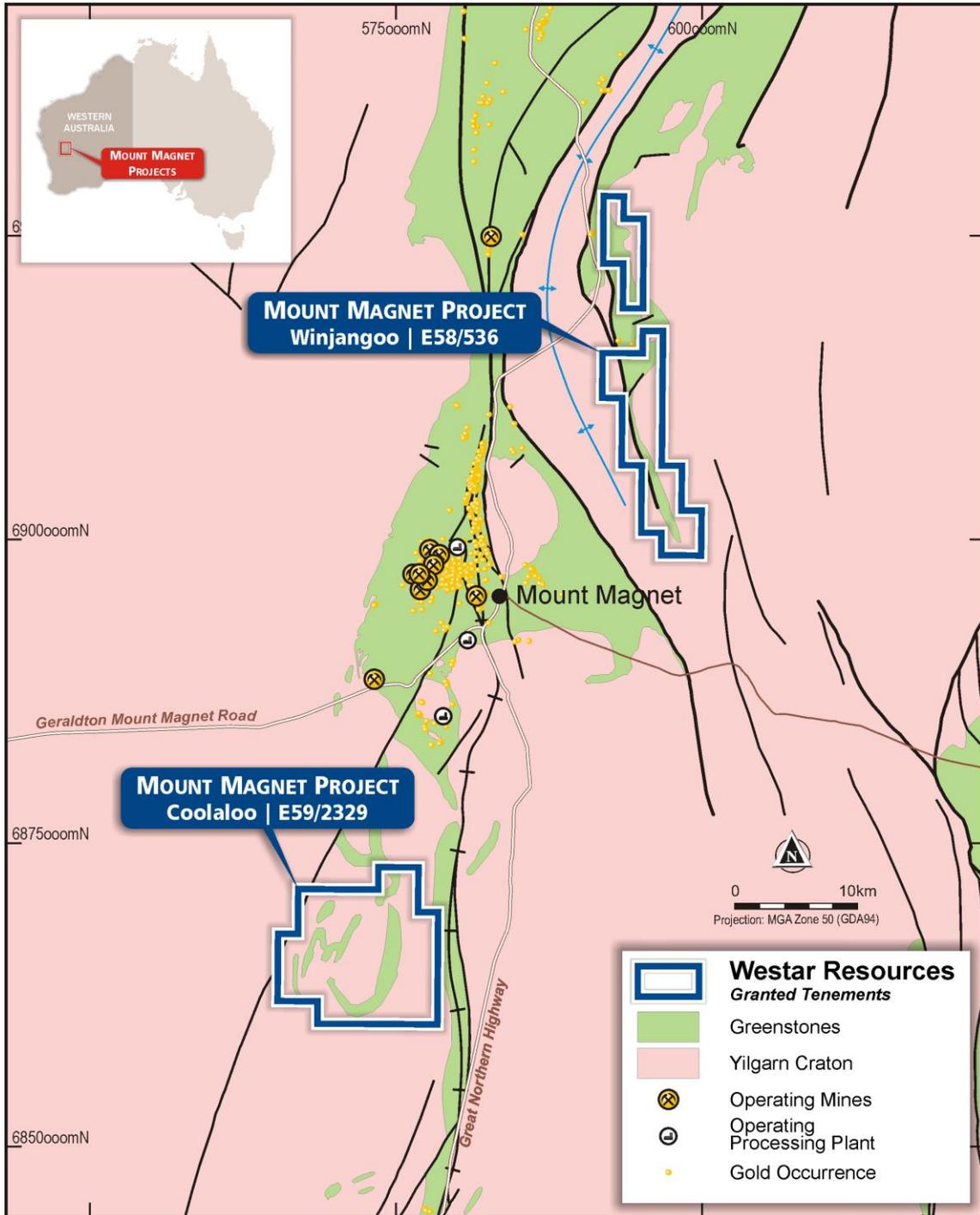
- An airborne geophysical survey (magnetic and radiometric) at 50m line spacing over the northern portion of the southern lease area, with subsequent data processing and image generation completed by Southern Geoscience Consultants.
- An auger soil geochemical program of 749 samples was completed, with results announced after quarter end (see WSR ASX Announcement, 19 January 2021, **“High Priority Geochemical Targets Identified at Winjangoo”**)

Activities in the quarter at Coolaloo included:

- Detailed litho-stratigraphic interpretation and geophysical targeting by SGC using data from a Westar 2019 geophysical survey of the Coolaloo Project, with results subsequently announced (see WSR ASX Announcement, 12<sup>th</sup> January 2021, **“High Priority Geophysical Targets Identified at Coolaloo”**).
- An auger soil geochemical program of 458 samples was completed, with results subsequently announced (see WSR ASX Announcement, 21<sup>st</sup> January 2021, **“Geochemical Results Confirm Priority Targets at Coolaloo”**).



**Figure 3 – Auger drilling at Westar’s Winjangoo Project**



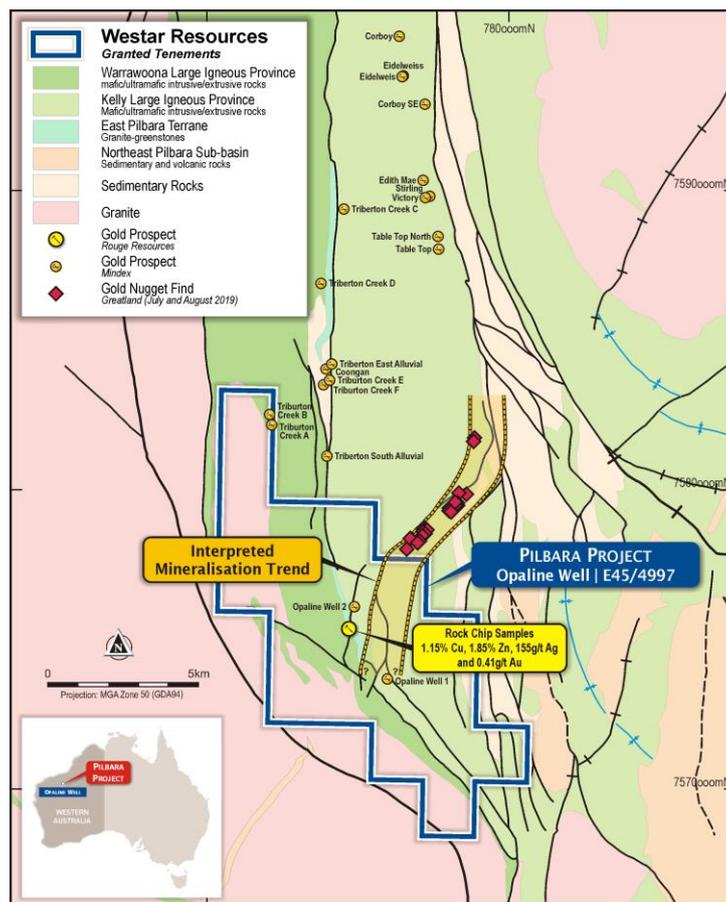
**Figure 4** – Location map of Westar’s Mt Magnet Projects, Winjango and Coolaloo

## Pilbara Project – Opaline Well

Westar’s Opaline Well project (E 45/4997) is located in the Pilbara, approximately 190km southeast of Port Hedland and 35km west of Nullagine.

Historical exploration over this portion of the Coongan greenstone belt includes geochemical exploration, with rock chip samples up to 200 g/t Au around the historical Triberton Creek workings and rock chips assays ranging from 0.25–1.15% Cu, 0.14–1.85% Zn, 79–155 g/t Ag and 0.19–0.41 g/t Au around the historic Opaline Well workings. Other historical activities include regional stream sediment sampling that defined a regional cobalt anomaly extending into the Opaline Well Project area with a peak value of 68ppm against a background of less than 5 ppm cobalt.

Activities in the quarter at Opaline Well included a geophysical survey at 50m line spacing.



**Figure 4–** Location map of Westar’s Pilbara Project, Opaline Well

## Southern Cross Projects (Ramelius Resources (ASX:RMS) Farm-in/JV)

The Mt Finnerty Project, which forms part of the Southern Cross Assets (E 16/505) is located approximately 430km east-northeast of Perth and 100km northeast of Southern Cross. Located in the Archean Mara-Diemals greenstone belt, previous exploration activity has been extensive, with historical intersections across the project including:

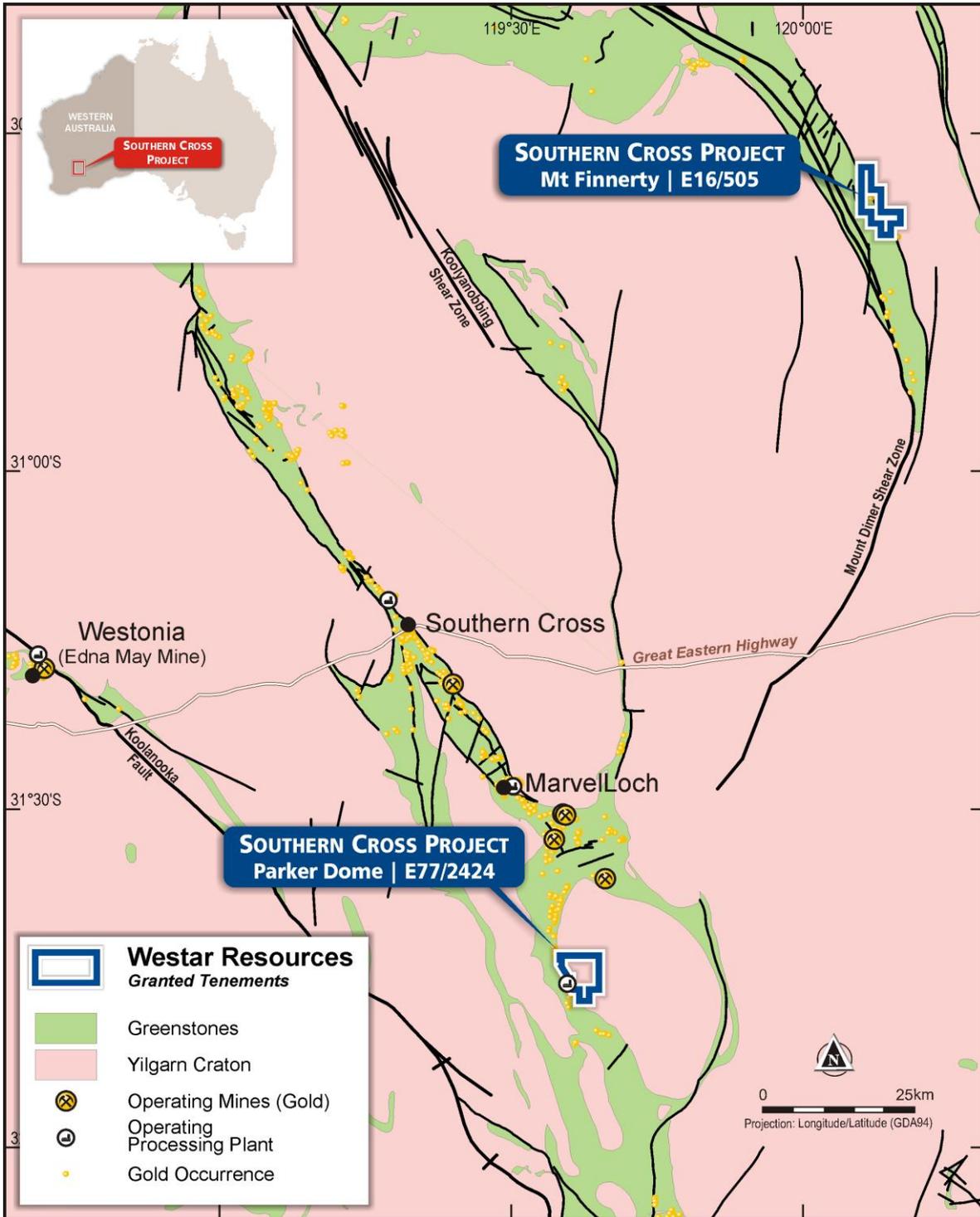
- MF023 – 9m averaging **98.2 g/t Au** from 62 - 71m downhole (including 4 m averaging **215.8 g/t Au** from 62 - 66m downhole);
- MFRC 029 – 1m at **236.3 g/t Au** from 126-127m downhole;
- MF034 – 3m averaging **6.4 g/t Au** from 54 – 57m downhole;
- MF038 – 24m averaging **3.68 g/t Au** from 45 – 68m downhole (including 4 m averaging **12.6 g/t Au** from 46 – 50m downhole)
- MF8880/1376 – 9m averaging **9.95 g/t Au** from 51 – 60m downhole; and
- MF8580/1414 – 6m averaging **14 g/t Au** from 39 – 45m downhole.

See WSR ASX Announcement, 6 December 2020, “*Prospectus*” for additional details.

The Parker Dome Project (E77/2424) is located approximately 400km east of Perth and 60km south-southeast of Southern Cross. Situated on the western margin of the north-westerly elongated Parker Dome granitoid, the project hosts several broad previously identified gold-in soil anomalies from historic auger drilling with results up to 192ppb Au. Historical RAB drilling has reported results up to 0.52 g/tAu in transported overburden and 0.38 g/t Au in ultramafics.

The Mt Finnerty and Parker Dome Projects are subject to the Flinders and Parker Dome Farm-in and Joint Venture Agreement between Ramelius Resources Ltd and Rouge Resources (a 100% owned subsidiary of Westar Resources Ltd) dated 30 August 2019. Under the terms of the agreement Ramelius may earn up to a 75% interest by spending \$2,000,000 over a three-year period. A full summary of the agreement is set out in section 10.1(a) of the company’s IPO Prospectus.

Ramelius conducted a site visit to the Mt Finnerty project in the quarter ahead of a planned fauna survey in February 2021.



**Figure 5** – location map of Westars’ Southern Cross Projects under farm-in/JV agreement with Ramelius Resources, Mt Finnerty and Parker Dome

## Forward Work Plans

Westar is committed to systematic evaluation and progression of exploration projects through diligent application of capital and resources. Westar intends to progress exploration across its project portfolio in line with the exploration rationale.

### Sandstone Projects

At Gidgee South and Gidgee North, recent data returned from geophysical surveys and drilling will be incorporated into Westar datasets, along with detailed structural analysis, and used to define, rank, and prioritize exploration targets.

A drilling program using slimline RC is planned at Gidgee South late Q1/early Q2 CY 2021, pending drill-rig availability, with a drilling contractor engaged for the program.

### Mt Magnet Projects

An extensive aircore drilling program is being planned for Coolaloo later in Q1 CY 2021, with approved POW's in place and drilling contractor engaged. The program will be designed to test multiple high-priority targets defined in the recent SGC geophysical review, several of which have confirmed auger soil anomalies.

At Winjangoo, data from the recently flown geophysical survey will be incorporated into Westar's existing datasets and used to update internal targeting and ranking criteria prior to planning a maiden drilling program for late Q1. Spatial POW's are approved and drilling contractor secured.

Winjangoo will also be assessed for the potential application of either Mobile Metal Ion MMI and/or ultra-fines soil geochemical sampling over the southern part of the lease, where an interpreted greenstone and structural corridor lie under more extensive alluvial cover.

### Pilbara Projects

Westar will commence interpretation of the recently flown geophysical survey along with planning exploration activities to commence post cyclone season in 2021.

### Southern Cross Projects (Ramelius Resources (ASX:RMS) Farm-in/JV)

Preparations to commence field work are continuing ahead of a drilling program at Mt Finnerty initially and, subject to drill rig availability, then Parker Dome.

## Corporate

Westar Resources Limited is pleased to have successfully completed its listing on the Australian Securities Exchange (ASX) and commenced trading on the 17 December 2020 under the ticker code ASX:WSR. This followed a highly oversubscribed raising of \$5.0m at \$0.20 per share which included multiple Institutional investors. The IPO was managed by Discovery Capital Partners.

Current cash at December 31 was \$4.7m and the company remains well funded for its 2021 exploration activities.

## Financial

### STATEMENT PURSUANT TO LISTING RULE 5.3.4

Westar Resources Limited hereby provides the following additional information in accordance with Listing Rule 5.3.4 and in conjunction with the December 2020 Quarterly Report and Appendix 5B Cashflow Statement lodged by the Company with the Australian Securities Exchange (ASX) on 29 January 2021:

#### Additional Information

The Quarter is covered by the Use of Funds Statement included in the Prospectus dated 23 October 2020. A summary of expenditure to date is set out below. The Company was admitted to the Official List of ASX on 16 December 2020.

Use of Funds	Per Prospectus Dated 23 October 2020	Actual to 17 - 31 December 2020
	\$m	\$m
Cash Expenses of the Prospectus Offer	\$476,023	\$403,975
Exploration	\$2,400,000	\$27,667
Directors' Fees	\$700,800	\$15,578
Administration expenses and working capital	\$2,324,240	\$33,857

**Table 1** – Use of Funds.

Westar considers that there are no material variances with the use of funds table in the Prospectus and the expenditure of funds over the period 17th December 2020 – 31st December 2021. Related Party payments for the quarter are outlined in Appendix 5B.

## Tenement Schedule

Project	Tenement	Owner	Status	Grant Date	Term (Yrs)	Area (Blocks)	Area (Km <sup>2</sup> )	Interest
Gidgee South	E 57/1055	Imperator Resources PL	Granted	13/06/2018	5	15	42	100%
Gidgee North	E 53/1920	Imperator Resources PL	Granted	31/10/2017	5	70	214	100%
Winjangoo	E 58/536	Rouge Resources PL	Granted	11/9/2018	5	29	88	100%
Coolaloo	E 59/2329	Rouge Resources PL	Granted	11/9/2018	5	45	136	100%
Opaline Well	E 45/4997	Rouge Resources PL	Granted	16/11/2018	5	21	67	100%
Mt Finnerty	E 16/505	Rouge Resources PL	Granted	15/03/2019	5	10	30	RMS farm-in/JV
Parker Dome	E 77/2424	Rouge Resources PL	Granted	14/09/2017	5	12	33	RMS farm-in/JV

**Table 2** – Tenement Schedule. Rouge Resources PL and Imperator Resources PL are 100% owned subsidiaries of Westar Resources Ltd

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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[kjupp@westar.net.au](mailto:kjupp@westar.net.au)

## 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 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 Kelvin Fox, a competent person who is a member of the AusIMM. Kelvin Fox is employed by Westar Resources Limited. Kelvin Fox 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. Kelvin Fox consents to the inclusion in this announcement of the matters based on his work in the form and context in which it appears.