

# ASX Announcement

24 November 2022

## Westar secures Mindoolah Lithium & Gold Project and divests Gidgee South Project

### HIGHLIGHTS

- ✈ **Option Agreement executed for the Mindoolah lithium / gold project where several historically mapped pegmatites remain unsampled for Lithium-Caesium-Tantalite (LCT) potential**
  - Field team to commence sampling in late November
- ✈ **Substantial historical gold production of 161kg Au at an average grade of 21.18g/t with previously identified anomalism untested**
- ✈ **Agreement executed with Aurumin for the sale of Gidgee South to form part of Aurumin's rapidly developing Sandstone Project**

Westar Resources Limited (ASX: **WSR**) (**Westar** or **the Company**) is pleased to announce the completion of negotiations to enter an Option Agreement over the Mindoolah Lithium-Gold Project, adjacent to the Weld Range, approximately 70km north-west of Cue, Western Australia. Westar has also executed an agreement for the sale of the Gidgee South Project, located approximately 60km north of the town of Sandstone with Aurumin Ltd (**ASX: AUN**).

The agreement over the Mindoolah tenure and divestment of Gidgee South are aligned to Westar's exploration strategy of exploring for company making assets in areas of known mineralisation.

#### Westar Managing Director Karl Jupp commented:

*"The Mindoolah Project is a very exciting acquisition with our initial review identifying multiple mapped outcrops of pegmatites over several kilometres of strike, with no sampling for LCT mineralisation. This will be the immediate focus for initial exploration activities, and in the background, we will refine the potential priority targets for gold exploration.*

*Separately, the Aurumin Ltd (ASX: AUN) all-script transaction for Gidgee South will give Westar continued exposure to this asset alongside the potential of Aurumin's rapidly developing Sandstone Gold Project".*



#### Registered Address

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

**A** Level 1, 19 Ord St,  
 West Perth, WA 6005  
**P** PO Box 814  
 West Perth, WA 6872

#### Board Members

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

**T** +61 08 6556 6000  
**E** admin@westar.net.au  
**W** www.westar.net.au

#### Projects

Sandstone | Mt Magnet | Cue  
 Pilbara | Southern Cross

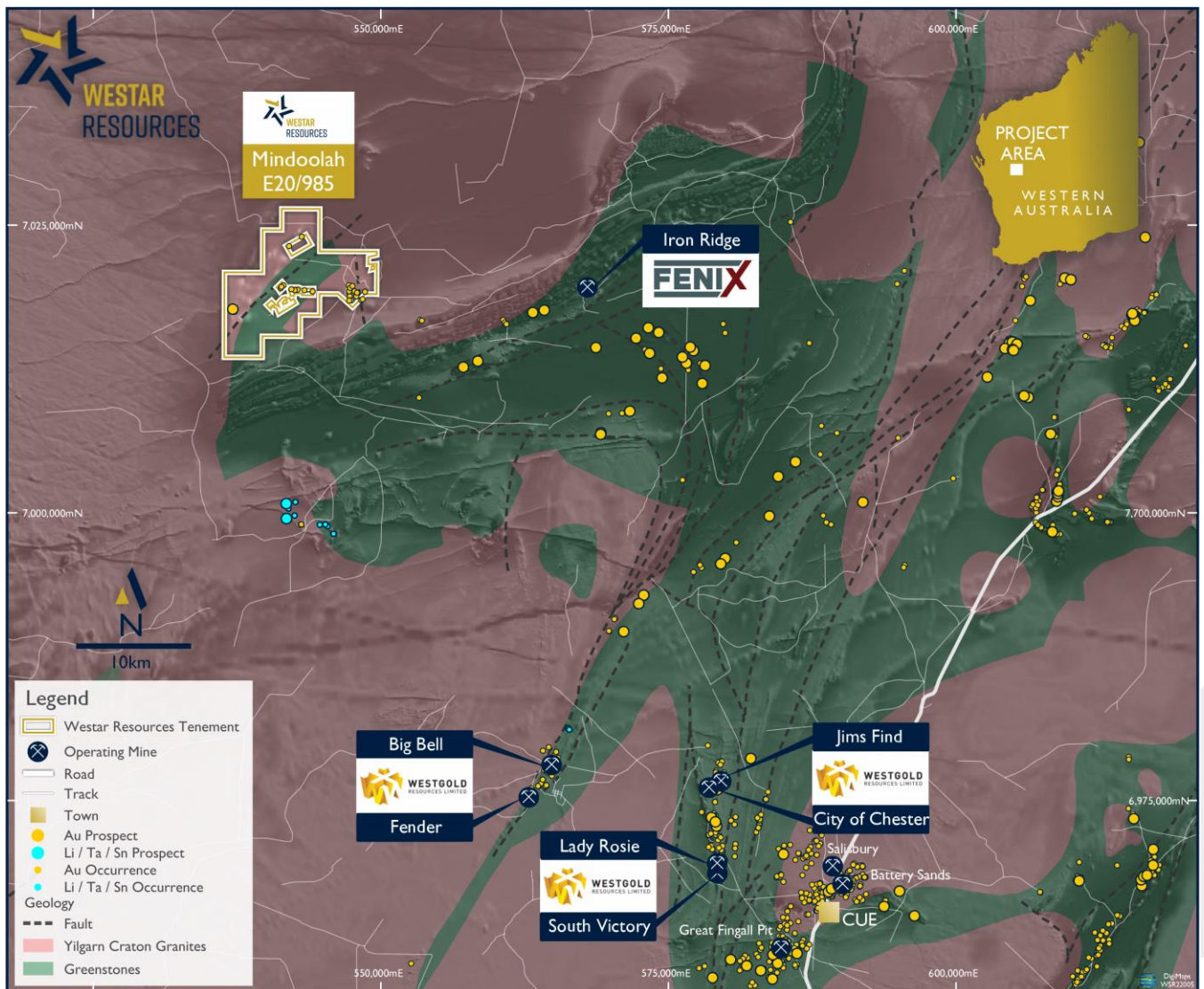
ASX Code

WSR

## Overview of the Mindoolah Project

The Mindoolah Project consists of approximately 100km<sup>2</sup> of tenure, located 70km north-west from the town of Cue in Western Australia (Figure 1), within the Murchison Mineral Field of Western Australia.

The tenement lies on the south-western end of the Weld Range and contains a sequence of felsic volcanics, several mafic units, BIF and granite, with lenses and dykes of pegmatite, aplite and quartz-feldspar porphyry. Extensive alluvial and open cut gold occurrences occur in the Mindoolah mining centre and many historic workings are scattered throughout the tenements. Historical exploration has largely targeted gold, with a minor base-metal anomalism defined.



**Figure 1** – Location map of the Mindoolah Project, north-west of Cue, Western Australia

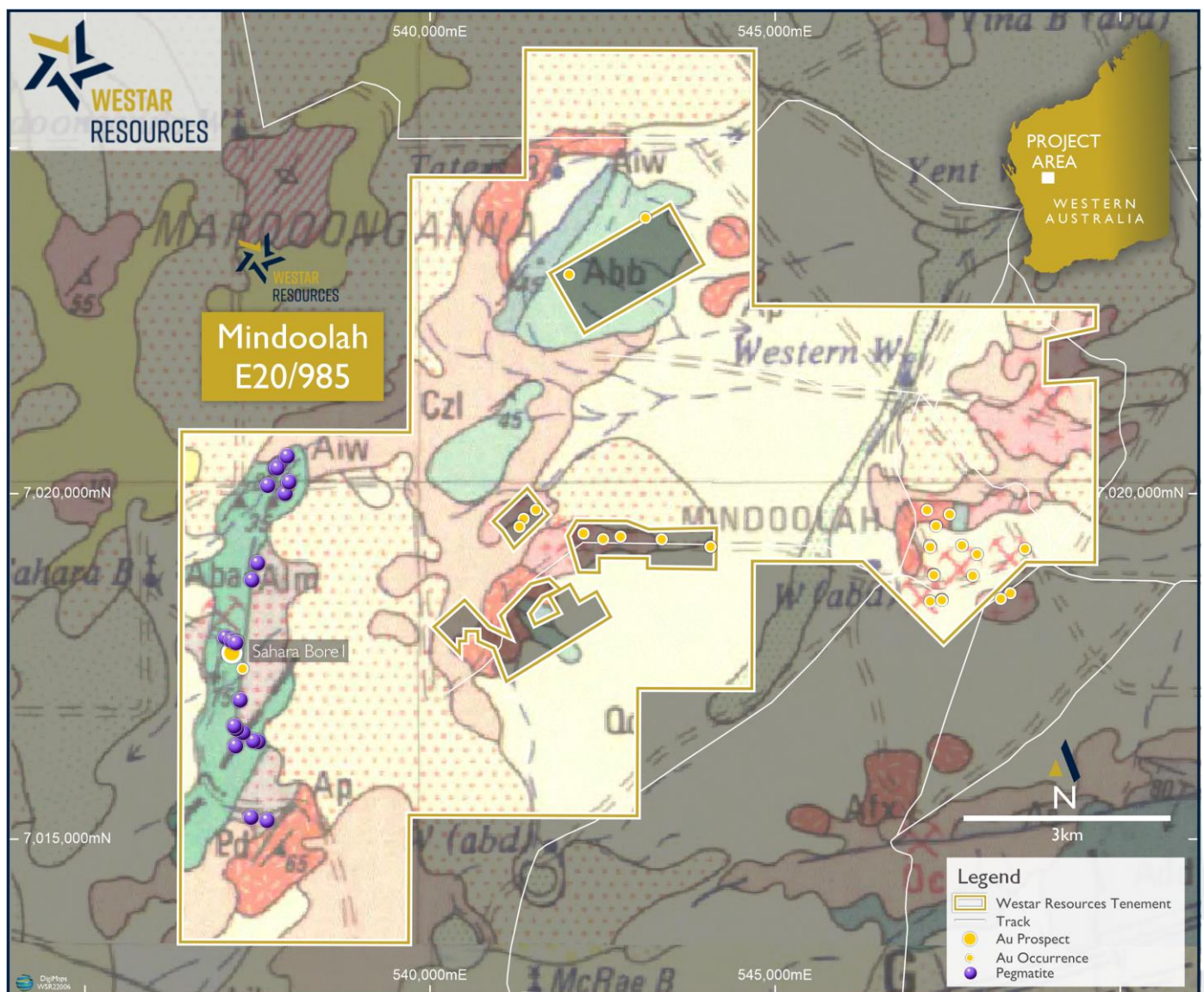


## Pegmatite Hosted LCT

Westar's initial due diligence review of the Mindoolah project noted Cougar Metals 1:10,000 scale geological mapping<sup>1</sup> recorded multiple outcropping pegmatites throughout the current western tenement area, Figure 2.

No sampling of the pegmatites was completed due to the gold-focused exploration activities and these areas will form the immediate focus for Westar to concentrate field reconnaissance, including rock-chip sampling and assaying for (LCT) potential of the project.

A field team is planned to be on site late November, with rock-chip assays expected early Q1 CY23.



**Figure 2** – Location of historically mapped pegmatite (purple) and gold occurrences (yellow) at Mindoolah

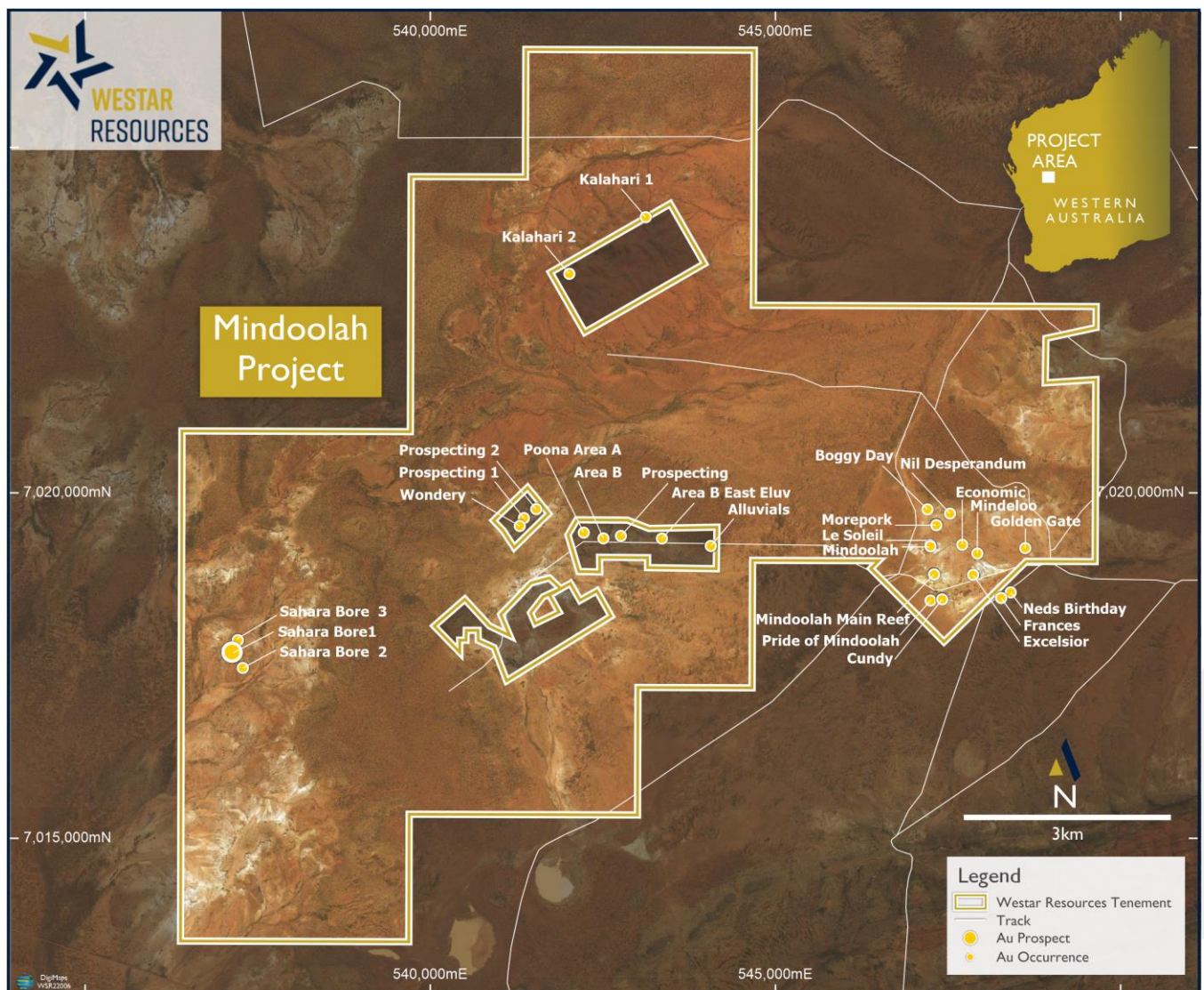
<sup>1</sup> WAMEX A file 67963: Cougar Metals NL Annual Report 2002-2003.



## Gold Prospects

Significant gold has been produced in the Mindoolah district from both hard-rock (open cut and underground) and eluvial deposits. Historical production of 161kg of gold is recorded at Mindoolah from 7,621 tonnes of ore being treated at an average grade of 21.18g/t Au<sup>2</sup>. There are no production figures from the mid-eighties onwards, however the scale of operations is likely to have been significant from the open pits present in the project. The area is regularly prospected with small scale alluvial operators still finding the occasional rich gold-bearing reef or gold nuggets.

Recent explorers, including Battle Mountain, Placer Exploration and Podium, identified significant gold anomalous zones through soil geochemistry, however limited follow up drilling has been completed and Westar considers there is significant exploration potential in these less explored and under cover areas.



**Figure 3** – Location of historical gold occurrences and prospects in the Mindoolah region

<sup>2</sup> Elias M. Belele, Western Australia, 1:250,000 Geological Series 1982

## Transaction Structure

The Company has executed an Option Agreement with a private vendor to acquire the Mindoolah Project (E 20/985, P 20/2444, P 20/2445 and amalgamations in application AM0654800 & AM0636641) on a 100% ownership basis.

### Key terms of the transactions are summarised as follows:

- WSR to pay \$15,000 cash for a 4-month period of exclusivity to complete due diligence (DD)
- If WSR is satisfied with the DD review, WSR will pay an option fee of \$30,000 cash for a 24-month Option Period to purchase 100% of the Tenure (WSR to maintain the leases in good standing)
- If purchasing at any stage, WSR will pay the value of \$100,000 in cash or script at 10-day VWAP to exercise the option for outright Purchase
- Royalty at 1% NSR uncapped and purchasable by WSR at WSR's election on JORC milestone or decision to mine and based on in-ground value as determined by an independent and suitably qualified valuer

## Gidgee South Transaction

Westar has agreed to transact the Gidgee South Gold Project (M57/352) with ASX listed Aurumin Ltd (ASX:AUN) for an all-script consideration. The asset sale will enable Westar to maintain exposure to the continued exploration and potential development of this asset as part of the larger Aurumin Sandstone Project, which currently sits at 946,000 Oz of resource<sup>3</sup>.

## Transaction Structure

The Company has executed a full sale Purchase Agreement with Aurumin Ltd for the Gidgee South Project (M57/352).

### Key terms of the transactions are summarised as follows:

- AUN to procure the issue to Westar of a number of fully paid ordinary shares in the issued capital of Aurumin Limited with a deemed issue price of \$0.084 per share (**Consideration Shares**)
- Consideration Shares will have an agreed total valuation of \$168,000 (exclusive of GST)

## Exploration Strategy

Westar's exploration strategy is summarised as;

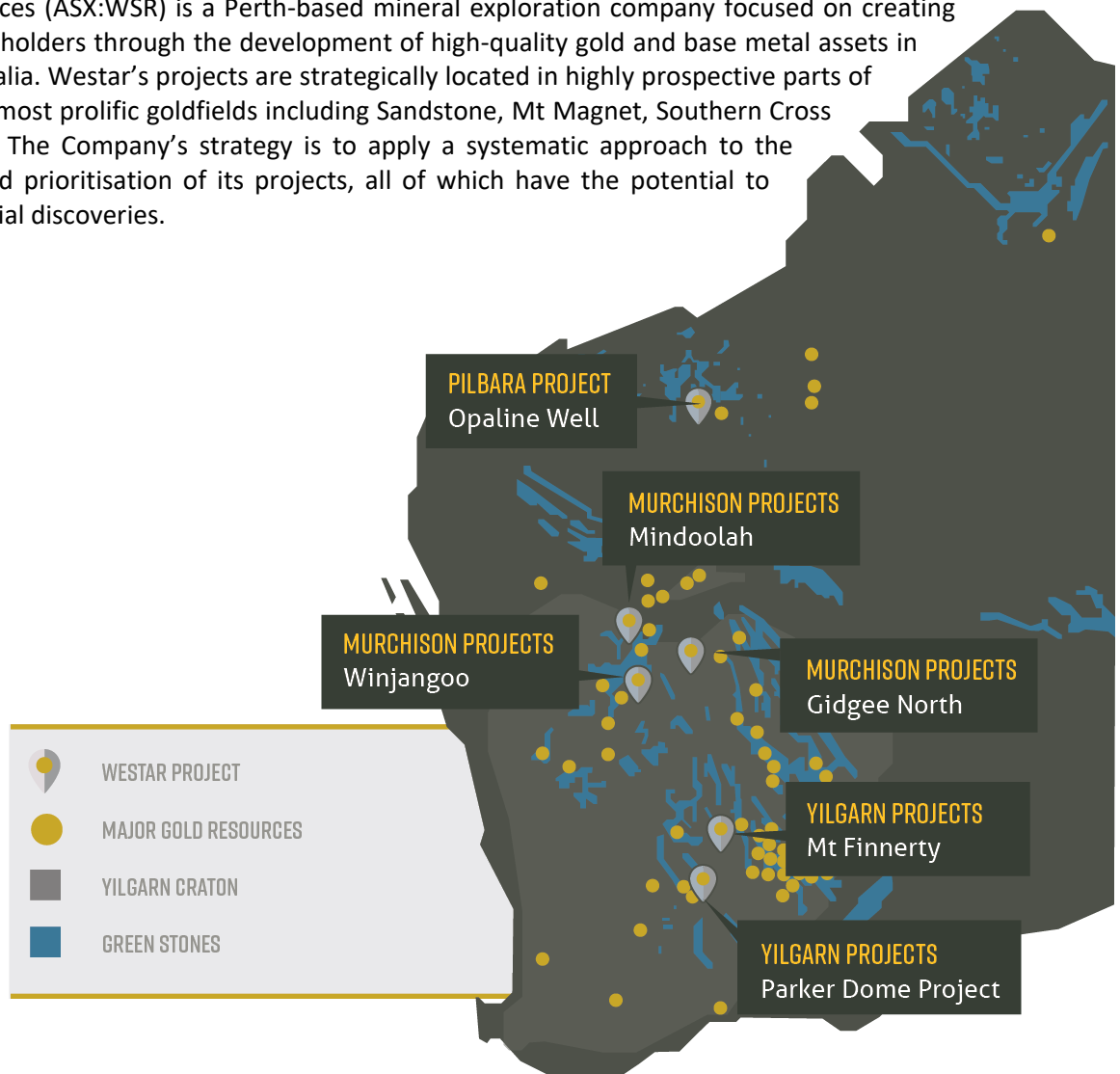
- 1) Maximising discovery potential through diligent application of capital and resources, utilising best practice systematic exploration and technology.
- 2) Diversify risk on appropriate assets through partnering with fast-moving companies with reputations for building mines; and
- 3) Continuously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

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<sup>3</sup> <https://aurumin.com.au/wp-content/uploads/61119515.pdf>

## 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.



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

### ENQUIRIES

**Karl Jupp**, Managing Director & CEO  
+61 8 6556 6000  
[kjupp@westar.net.au](mailto:kjupp@westar.net.au)

### 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.