

ASX Announcement

26 October, 2022



Quarterly Activities Report For the Period Ending 30 September 2022

HIGHLIGHTS

- ✦ **Mineralisation confirms a regional VHMS-style mineralized system along strike of “Altair” prospect, with strike extents remaining untested. Significant intercepts of recent drilling include:**
 - GNRC0013: **7m @ 0.18% Zn** from 103m
 - GNRC0015: **15m @ 0.23% Cu** from 80m incl. 7m @ 0.34 % Cu from 84m and,
 - **16m @ 0.33% Zn** from 81m
 - GNRC0016: **54m @ 0.19 % Zn** from 252m (to EOH 306m)
- ✦ **Ramelius Resources Ltd (RMS) prepares for follow up drilling at the Mt Finnerty Farm-in / Joint Venture Project and commences a 4,000m RC drilling program post end of quarter**
- ✦ **Heli-assisted reconnaissance and rock-chip sampling at Opaline Well defines a base-metals trend with rock chip samples including:**
 - **0.8% Pb, 3.1ppm Ag and 0.1% Zn**

Westar Resources Limited (ASX:WSR) (**Westar, the Company**) is pleased to provide an update on exploration activities during the June 2022 Quarter.

Westar Managing Director Karl Jupp commented:

“This quarter was focused on unravelling the VMS potential of the Gidgee North Project, with the maiden RC program confirming VMS style mineralisation along strike of the Altair deposit as well as indicating the broader base metal endowment of the region. Our eagerly awaited heli-assisted reconnaissance program at Opaline Well identified a significant base-metal trend and indicated additional work will be required to determine the source of the AEM anomalies.”



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Projects

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

ASX Code WSR

Westar's Project Portfolio

Westar holds 100% ownership over six projects in Western Australia. The Sandstone Projects, Gidgee North and Gidgee South, the Winjangoo Project at Mt Magnet, and the Opaline Well in the Pilbara (Figure 1). In the Southern Cross region, Ramelius Resources Ltd (**Ramelius**) have the right to earn a 75% interest in the Mt Finnerty Project under a farm-in/JV agreement and Westar holds 100% of the Parker Dome Project.

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'.

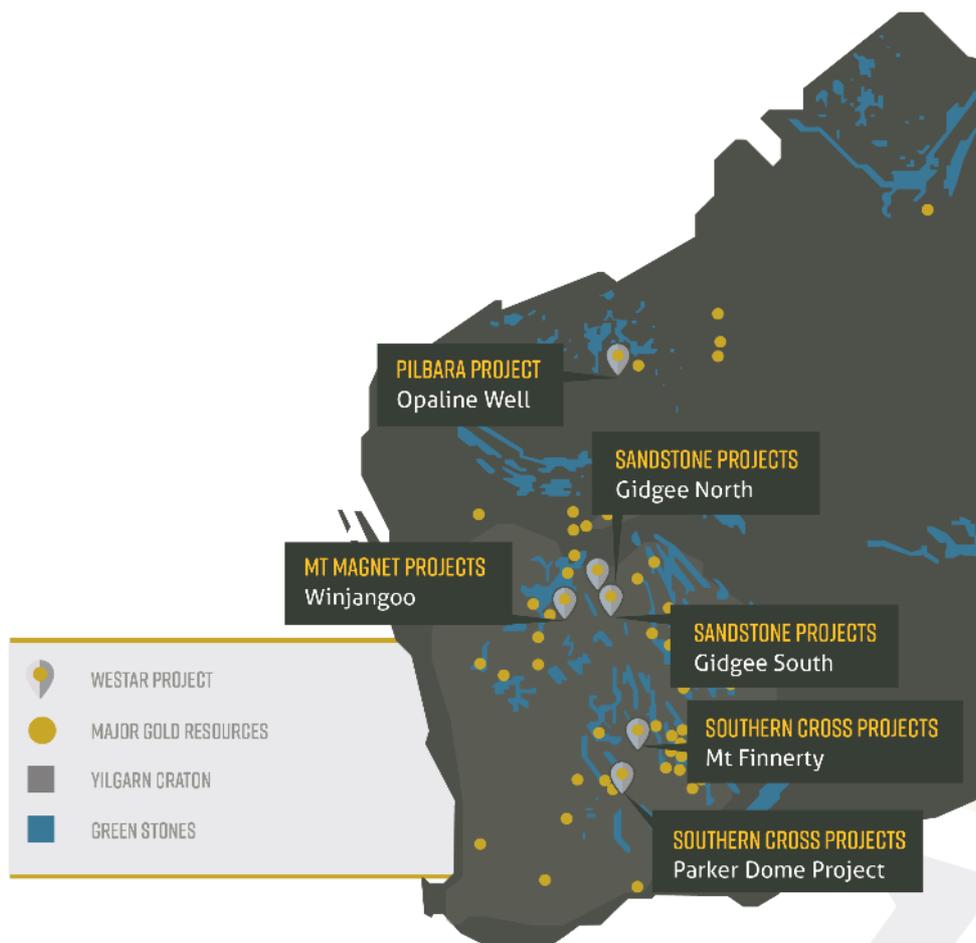


Figure 1 – Location map of Westar Projects in Western Australia

Southern Cross Projects

The Mt Finnerty Project (E16/505), forms part of the Southern Cross assets (Figure 2) and is located approximately 430km east-northeast of Perth and 100km northeast of Southern Cross in the Archean Mara-Diemals greenstone belt. 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 Mt Finnerty Project is subject to a Farm-in and Joint Venture Agreement (**Farm-in Agreement**) between Ramelius and Rouge Resources Pty Ltd (a wholly owned subsidiary of Westar Resources Ltd)). Under the terms of the Farm-in Agreement Ramelius may earn up to a 75% interest in the Mt Finnerty Project by spending \$2M over a three-year period. Westar holds a free carried 25% until a decision to mine is made, at which point Westar can either contribute to ongoing expenditure or dilute its interest in the Project. A full summary of the Farm-in Agreement is set out in section 10.1(a) of the Company's IPO Prospectus. (See WSR ASX Announcement, 6 December 2020, "**Prospectus**").

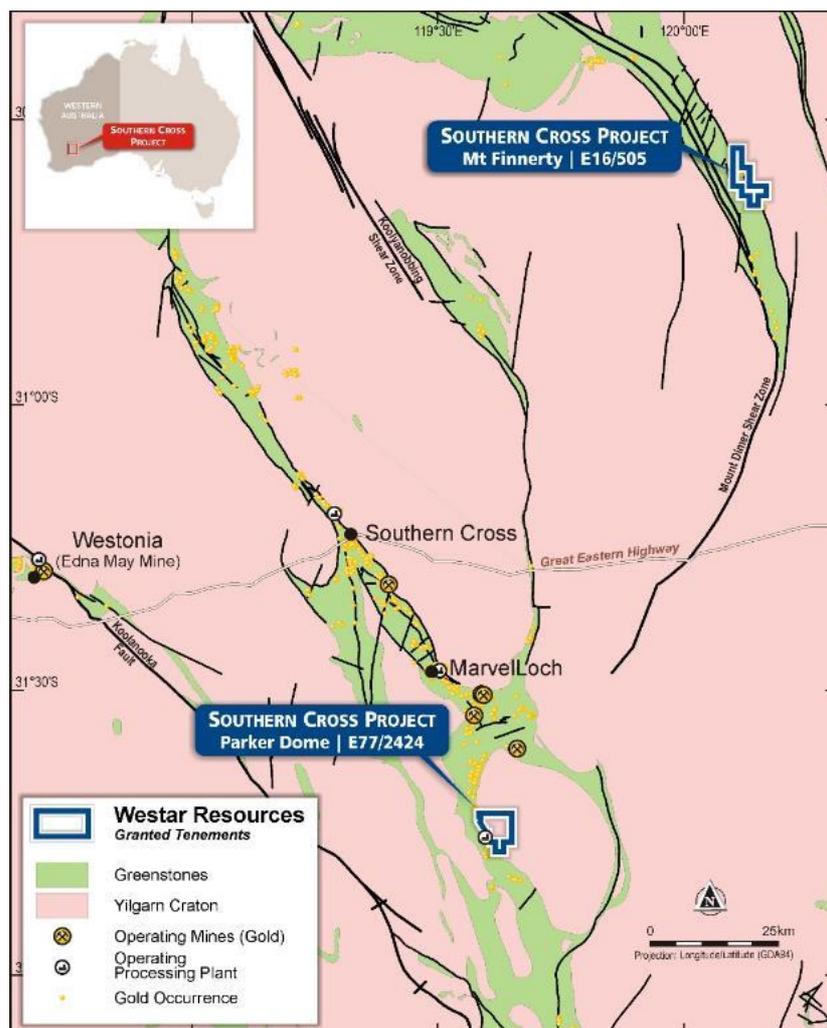


Figure 2 – Locality map of the Mt Finnerty (RMS Farm-in Agreement) and Parker Dome Projects (100% WSR) in the Southern Cross Region.

Assay results for the RMS RC drilling at Mt Finnerty were reported on 31 January 2022, “**Bonanza RC Grades at the Mt Finnerty Project**” and include significant intercepts:

Flinders Prospect

- **1m at 10.5g/t Au** from 109m in FLRC0001
- **5m at 66.7g/t Au** from 175m in FLRC0002, including
 - **1m at 52.4g/t Au** from 176m, and
 - **1m at 274g/t Au** from 177m
- **4m at 14.1g/t Au** from 136m in FLRC0003, including
 - **1m at 43.4g/t Au** from 137m
- **1m at 35.0g/t Au** from 125m in FLRC0004
- **5m at 1.67g/t Au** from 168m in FLRC0010

Tasman Prospect

- **5m at 2.63g/t Au** from 146m in FLRC0013
- **13m at 4.37g/t Au** from 182m in FLRC0015

RMS Activities during the quarter at Mt Finnerty & Parker Dome:

During the quarter RMS completed preparations for follow up drilling and post the end of quarter, WSR announced the commencement of drilling at the Mt Finnerty Project (see WSR ASX Announcement, 18 October 2022, “**Ramelius Resources Resumes Drilling at Mt Finnerty Farmin JV**”). Planned drilling includes approximately 4,000m of RC drilling over the Flinders and Tasman prospects.

During the quarter RMS exited the Parker Dome Project, however, remains committed to the Farm-in / JV under existing terms, with the focus of all exploration activities now on the Mt Finnerty Project. Westar has commenced a desktop review of the exploration potential of the Parker Dome project, including the potential for pegmatite hosted-lithium mineralisation, noting the recently discovered occurrences of high-grade Li-bearing pegmatites by Zenith Minerals¹ at their nearby “Split Rocks” Project (Figure 3) (ASX: ZNC, and in joint venture with EV Metals group).

¹ ASX Announcement 20 September 2022, “Zenith Discovers Major Lithium Pegmatite at Split Rocks”
<https://wcsecure.weblink.com.au/pdf/ZNC/02570174.pdf>

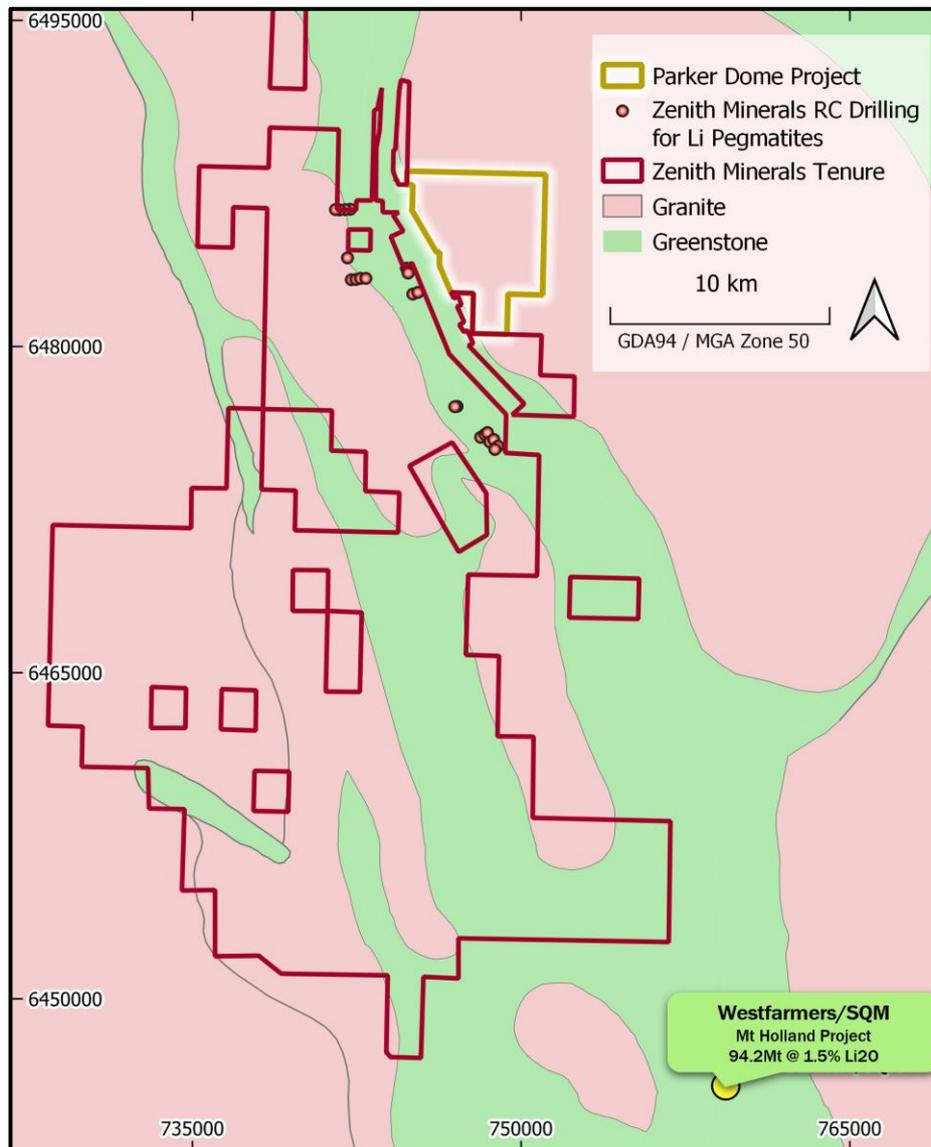


Figure 3 – Parker Dome Project location map, adjacent to Zenith Minerals Split-Rocks lithium-gold Project.

Sandstone Projects – Gidgee North & Gidgee South

The Company's Sandstone Projects are located in Western Australia, approximately 640 km northeast of Perth (Figure 4). The Projects lie within the Gum Creek Greenstone Belt (GCGB) of the Youanmi Terrane, which forms a lensoidal belt measuring some 100km in length and 24km in width. The Sandstone assets comprise two separate projects, covering approximately 460km² - Gidgee South (E57/1055 & M57/352) and Gidgee North (E53/1920, E51/2044 with E53/2227 and E51/2090 under application, and Farm-in/JV E53/1832-I).

Previous exploration over the northern GCGB, including the Gidgee North Project, was largely focused on near mine environs or known shear zones and structures, with regional exploration comprising

limited, shallow rotary air blast (RAB) and soil geochemical sampling programs. Many of the targets defined by former explorers remain inconclusively tested, despite covering favourable geological and structural settings, including the potential for Cu-Zn VMS mineralised systems.

At Gidgee South, high grade historical workings extend south from the Birrigrin Mining Centre (BMC), through a previously identified geochemical anomaly, towards an area of more recent dry blowing (prospecting) activity at Carbine Bore, where a possible gold system has been identified.

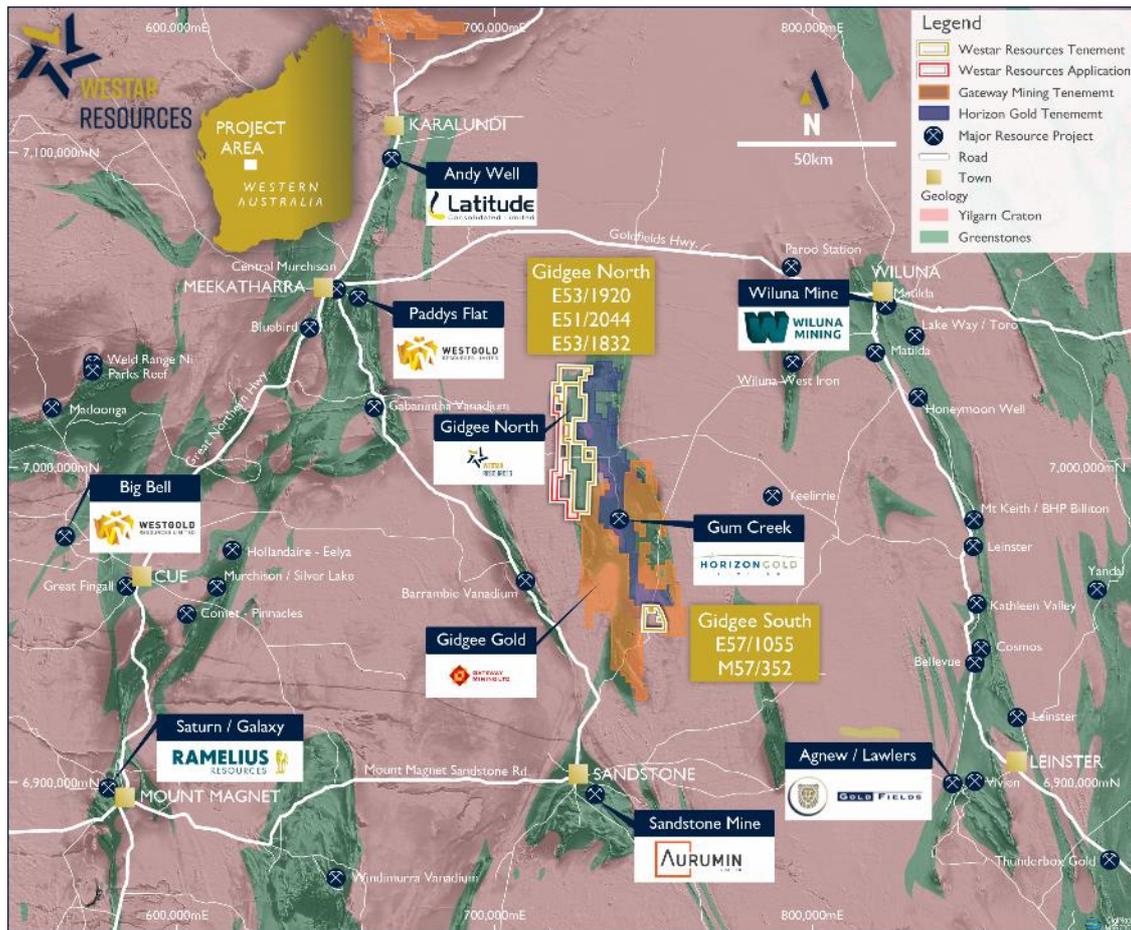


Figure 4 – Location map of Westar’s Sandstone Projects, Gidgee North and Gidgee South.

Activities during the quarter at Gidgee North – VMS Targets:

During the September quarter WSR received all assays from the first pass, proof of concept program, testing the potential for VMS mineralisation over multiple coincident geochemical and geophysical anomalies as described in ASX Announcement, 19 March 2022, **“Maiden RC Drill Program Commences at Gidgee North”**.

The program consisted of 18 RC drill holes at 9 targets for 3,675 metres (Figures 5 and 6) as reported in ASX Announcement 25 August 2022, **“Drilling Highlights VMS Potential at Gidgee North”**. Significant assays are detailed below in Table 1.

Assay results from GNRC0015 (Geo prospect) and GNRC0016 (Vela prospect) are encouraging with the potential for higher grade Zn and Cu considering the potential volume implied by the extensive thickness of the host lithology combined with the dimensions of the FLEM target plates at both prospects. The depth of the sulphide-hosting lithology also remains open at both prospects.

Table 1 Significant Intercepts

(Using a 0.1% Zn and/or 0.1% Cu cut-off and/or 0.1g/t Au cut off. Minimum 4 metre interval and maximum 4 metres of internal dilution. All widths reported are down-hole intervals as true widths are unknown at this early stage of exploration.)

Hole ID	From (m)	To (m)	Zn (%)	Cu (%)	Au (g/t)	Ag (g/t)
GNRC0001	120	124	0.02	0.01	0.471	0.25
GNRC0005	8	12	0.01	0.10	0.002	0.25
	82	106	0.19	0.06	0.010	0.41
	112	120	0.13	0.03	0.011	0.43
	128	138	0.11	0.03	0.013	0.8
GNRC0006	108	155	0.15	0.04	0.013	0.36
	188	192	0.13	0.03	0.016	0.60
GNRC0007	168	200	0.17	0.05	0.011	0.67
	208	210	0.11	0.02	0.005	0.25
GNRC0008	168	172	0.11	0.04	0.020	0.70
GNRC0009	152	156	0.15	0.03	0.001	0.25
	168	184	0.11	0.03	0.001	0.39
GNRC0010	116	124	0.12	0.05	0.003	0.25
	132	136	0.12	0.04	0.002	0.25
	144	148	0.11	0.03	0.001	0.25
	152	160	0.11	0.04	0.003	0.25
GNRC0011	172	176	0.11	0.03	0.003	0.25
GNRC0013	84	94	0.14	0.03	0.003	0.25
	103	110	0.18	0.06	0.006	0.43
GNRC0015	80	95	0.04	0.23	0.008	1.39
	100	104	0.02	0.10	0.110	1.4
	124	136	0.13	0.05	0.013	0.55
	141	157	0.33	0.07	0.008	1.44
GNRC0016	252	306 (EOH)	0.19	0.05	0.004	0.53
GNRC0017	81	91	0.19	0.05	0.007	0.69

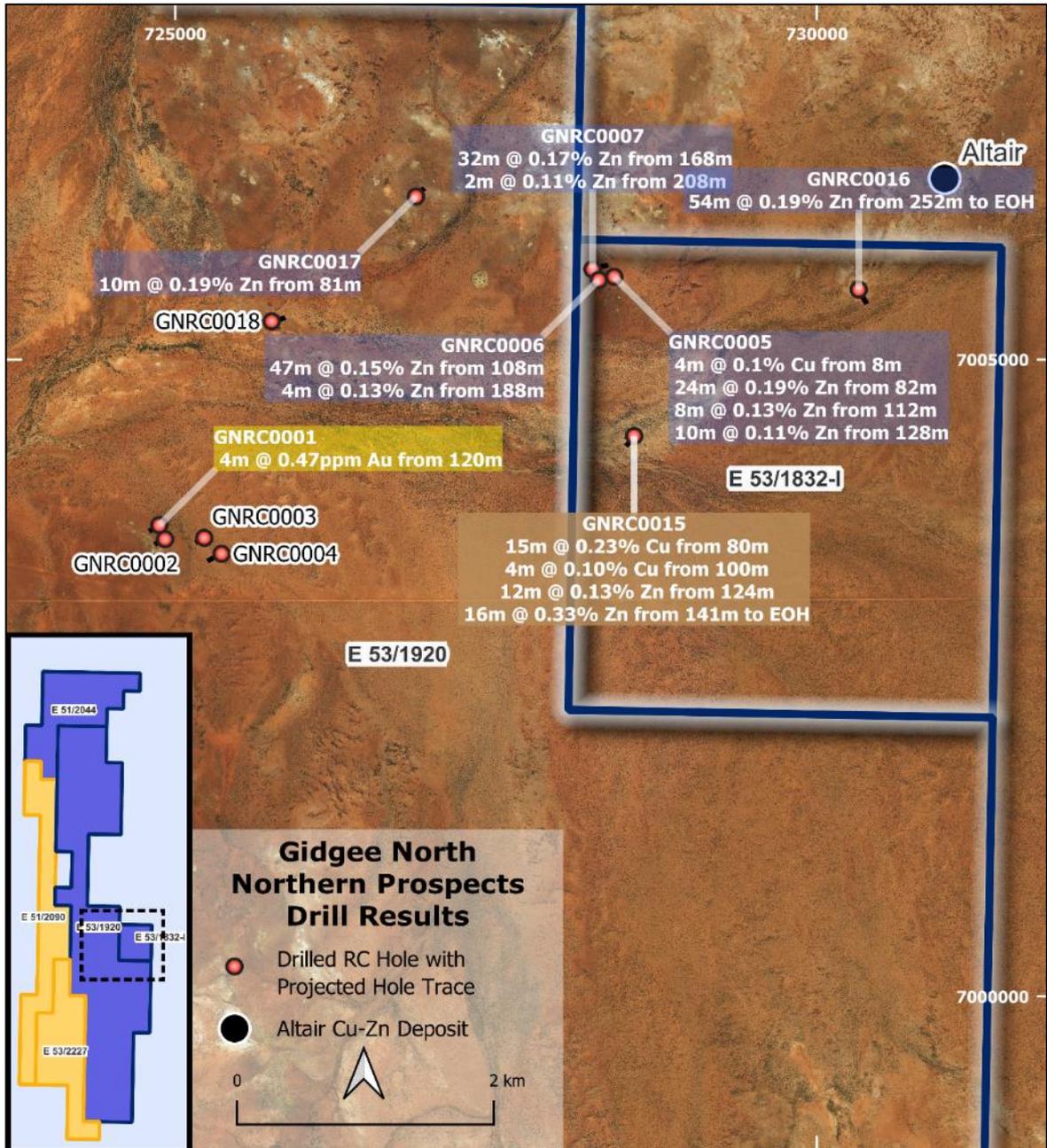


Figure 5 – Phase 1 RC drillhole locations – Northern Prospects
(Inset Map: Blue – granted Tenements, Yellow – Tenements under application)

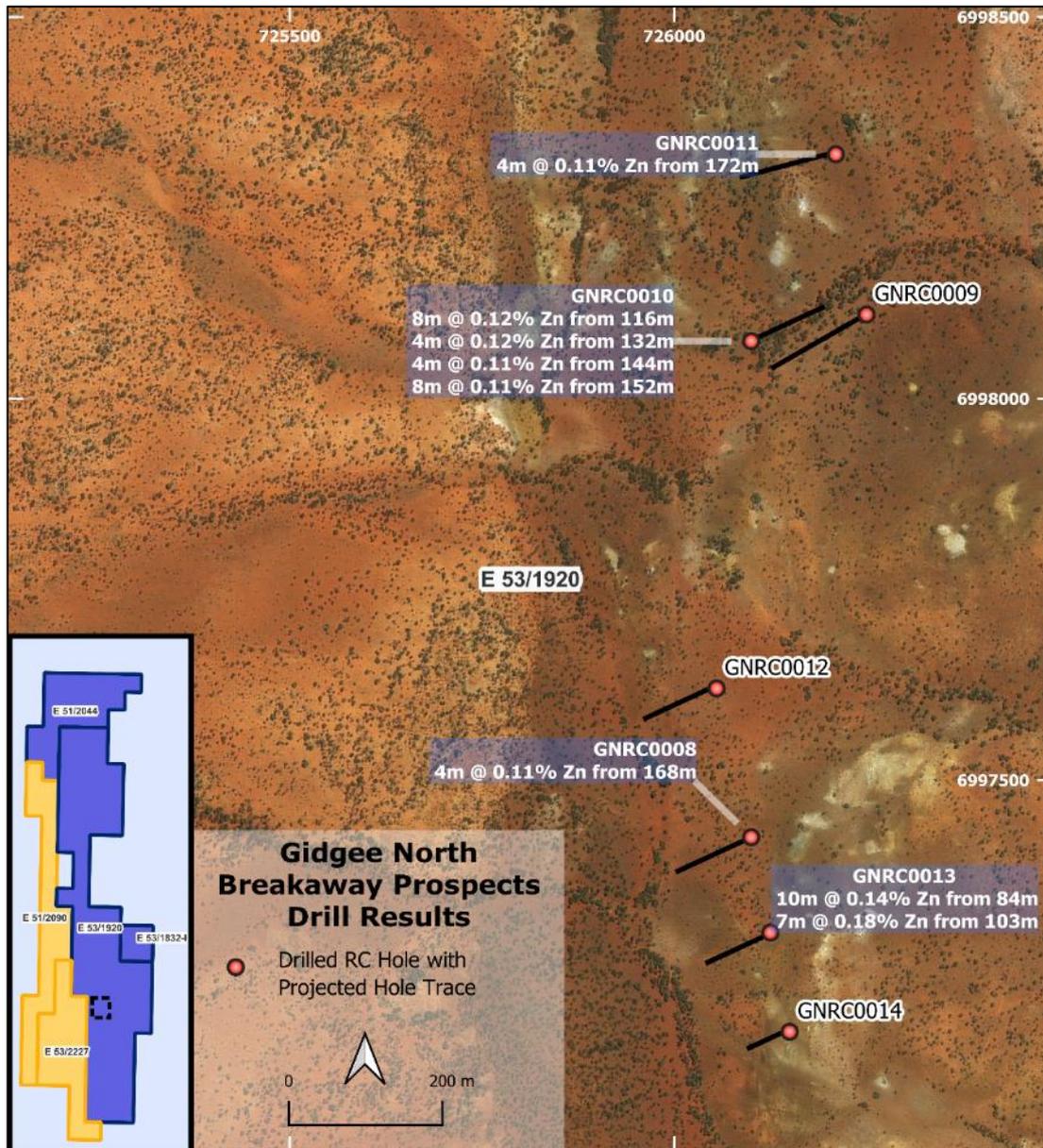


Figure 6 – Phase 1 RC drillhole locations – Breakaway Bore Prospect

(Inset Map: Blue – granted Tenements, Yellow – Tenements under application)

In addition to the base metals, Westar highlights this drilling has further confirmed the gold potential within the region. Not only was a significant gold intercept recorded, but the mineralisation was also associated with quartz veining, likely associated with localised shearing. This compliments the previously reported high priority gold targets (see WSR ASX announcement 30 June 2022, “**Priority Drill Ready Gold Targets Identified at Gidgee North**”).

Activities during the quarter at Gidgee North – Gold Targets:

Planned air core drilling SRPF (WSR divides the overall project into either North or South of the rabbit proof fence as NRPF or SRPF) has been delayed until early 2023 and WSR is using the opportunity to develop and refine additional targets over the NRPF area to develop a larger 2023 exploration program.

Activities completed include reconnaissance rock-chip sampling, geochemical soil surveys, and more recently, data compilation of historical drilling at the recently acquired Fairy Well tenure, announced post the end of quarter (see WSR ASX Announcement, 17 October 2022, “**Fairy Well Acquisition Gidgee North Project**”).

Applications for additional tenure (identified from prospectivity analysis) at Romeo’s Reward (E 53/2227) and Juliet’s Bore (E 51/2090) remain pending.

Activities during the quarter at Gidgee South:

During the June quarter Westar completed site rehabilitation activities and commenced planning for RC drilling over the Tassies prospect and within the historical Birrigrin Mining Centre. Weather delays will see this program move into 2023.

Pilbara Project – Opaline Well

Westar’s Opaline Well project (E45/4997) is in the Pilbara, approximately 190km southeast of Port Hedland and 35km west of Nullagine (Figure 7). 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 (See WSR ASX Announcement, 6 December 2020, “**Prospectus**” for additional details).

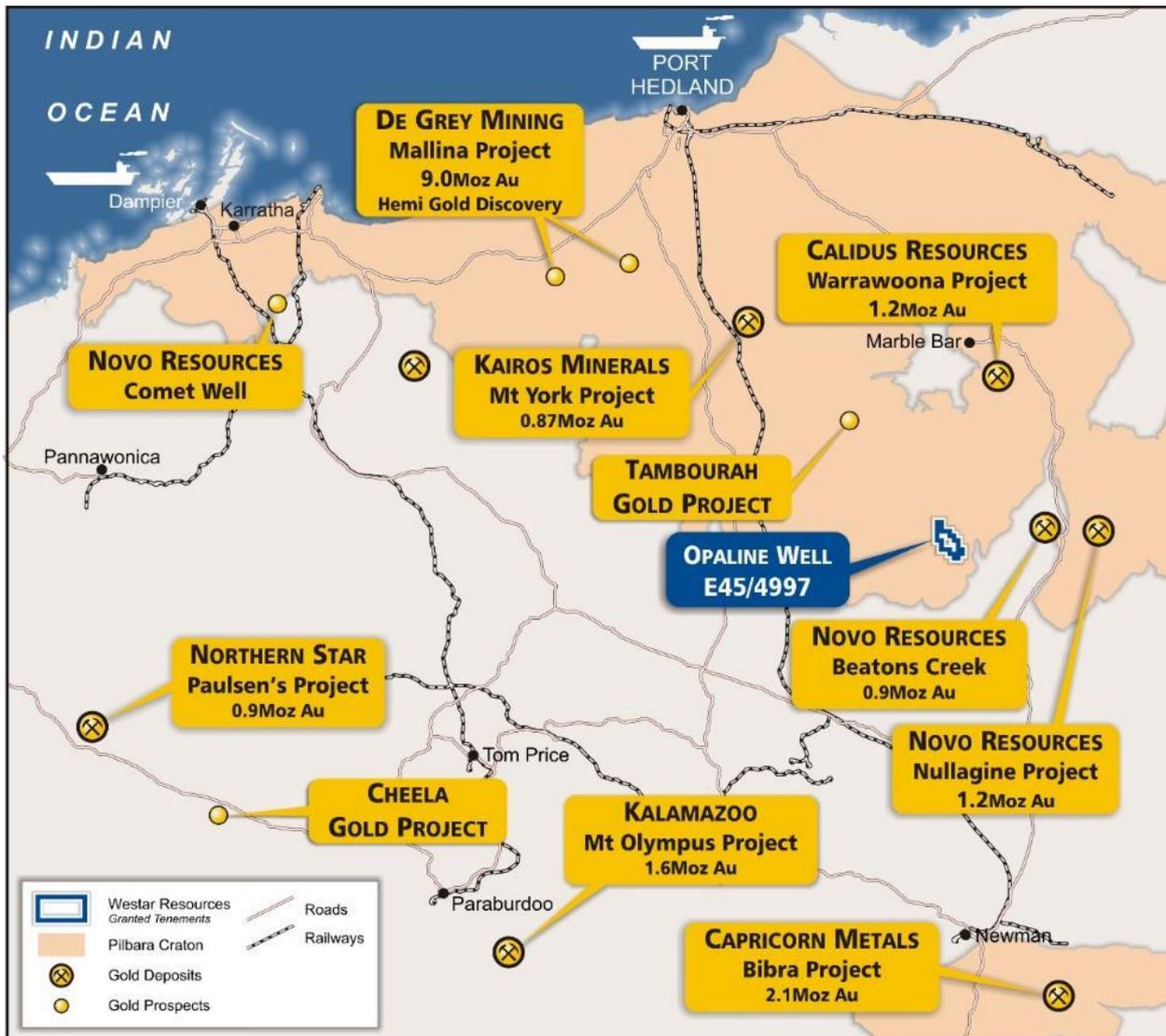


Figure 7 - Opaline Well location map and significant gold operations in the Pilbara region of WA

Activities during the quarter at Opaline Well:

During the quarter Westar geologists completed a heli-assisted reconnaissance and rock-chip sampling program over several priority targets, including the AEM conductors previously identified and announced to the ASX on 2 March 2022, “**AEM Survey Identifies Conductors at Opaline Well**”.

Evaluating Westar rock chip samples together with historical rock chip assay data (A-file 50141: *Great Southern Mines – 1997*), Westar has delineated a ~700 x 1200m “Basin North Mineralised Trend”, indicating the potential of a large mineralised system may be present, Figure 8.

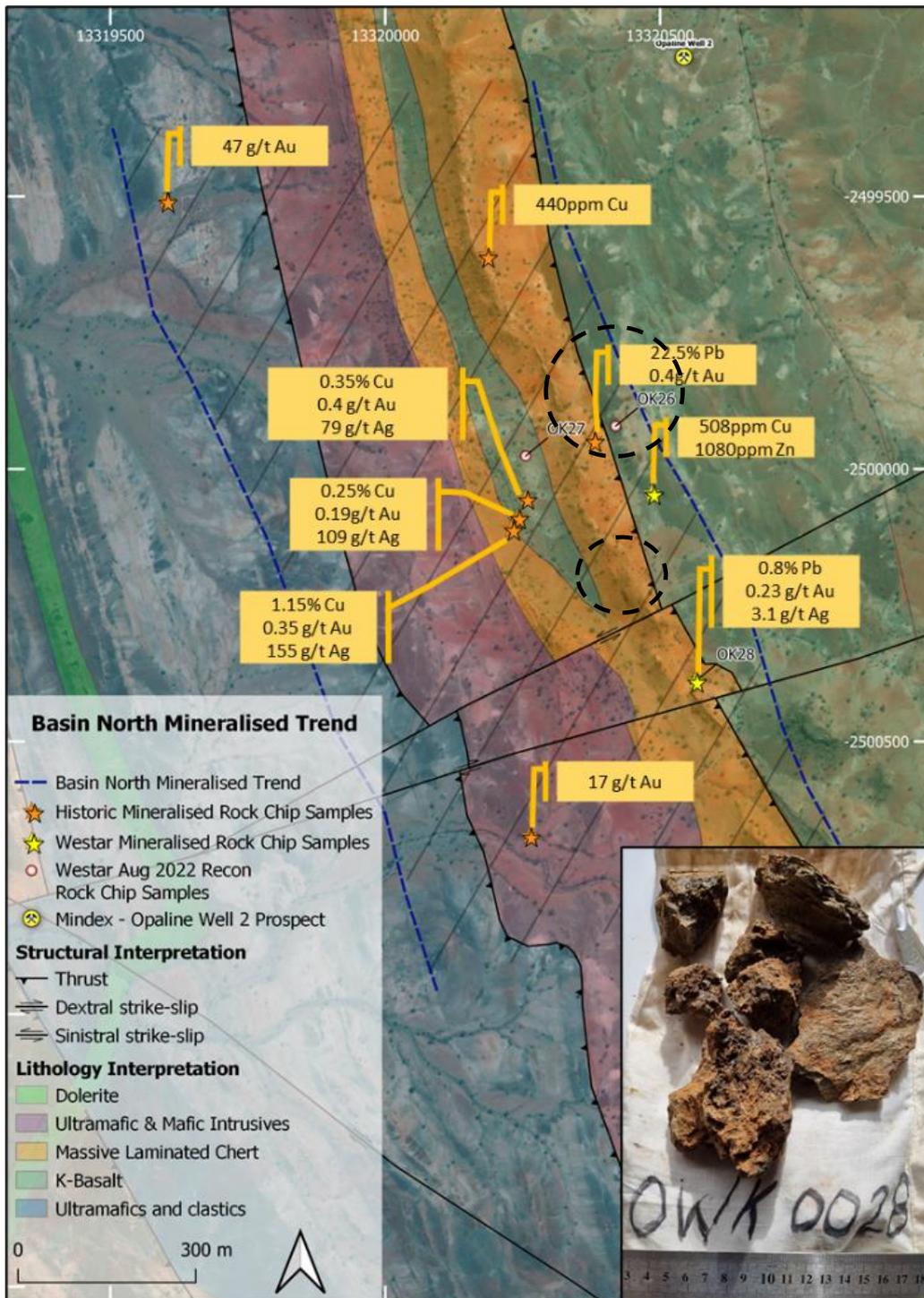


Figure 8 – Basin North Mineralised Trend with inset image of Sample OWK0028, noted as an intensely altered and foliated mafic, with the base metal mineralised sampled adjacent to a 1m wide quartz vein

Mt Magnet Projects – Winjangoo & Coolaloo

The Mount Magnet Projects cover approximately 302 km² and are comprised of granted exploration licences at the Winjangoo Project (E58/536) and the Coolaloo Project (E59/2329), Figure 9, situated in the Murchison Mineral Field. The projects are proximal to the mining centre of Mount Magnet which has produced over six million ounces of gold since the initial discovery in 1891.

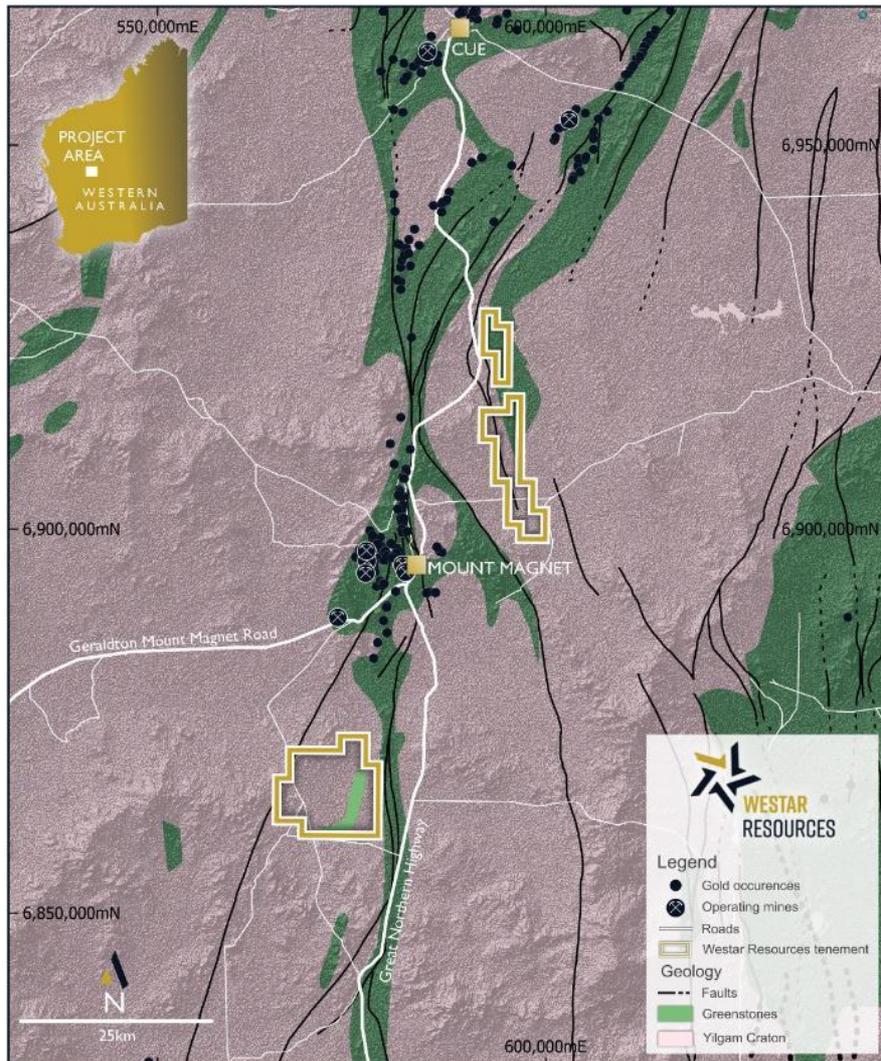


Figure 9 – Location map of Westar’s Mt Magnet Projects, Winjangoo and Coolaloo

Activities during the quarter at Mt Magnet Projects:

Following an independent project review, the Coolaloo Project was surrendered outright on 25 August 2022.

No exploration activities occurred at the Winjangoo Project during the quarter. Rehabilitation of previous exploration activities commenced.

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 Company's stated exploration rationale.

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

RMS RC drilling at the Mt Finnerty Project commenced on 17 October, for approximately 4,000m. Drilling is planned at both the Flinders and Tasman prospects to improve the geological model and establish potential controls on the high-grade mineralisation.

A desktop review is underway to evaluate the lithium prospectivity of the Parker Dome project in context of the recent and nearby discovery by Zenith Minerals. Geophysical, spectral and geochemical targeting methods are being considered generate targets for future drilling programs.

Sandstone Projects

At Gidgee North, preparations are underway for a circa 5,000m – 7,000m aircore drilling program, expected to commence late Q1CY23. The program has been designed to test multiple priority targets, SRPF including gold in favourable host lithologies and structural settings, gold and REE potential in interpreted syenites and will also provide data for assessing regolith geochemical vectoring data for additional refinement of VMS targets.

A review of the DHEM and FLEM plate models in conjunction with the geochemical data obtained from recent RC drilling had determined drilling at the VMS prospects has not fully tested anomalies and WSR will consider if other cost-effective exploration techniques may aid in defining higher grade extensions along strike of anomalous mineralisation.

At Gidgee South, Westar geologists have proposed an 800m RC drilling program focused around the historical high-grade Birrigrin Mining Centre, testing extensions of mineralisation identified as the "Tassie's" prospect. Drilling is planned to commence early in CY23.

Mt Magnet Project

At the Winjangoo project Westar will conduct a geochemical orientation survey to evaluate the potential for ultrafine soil sampling over areas previously identified with alluvial cover where conventional soil sampling and auger sampling has been deemed ineffective.

Pilbara Project

WSR geologists will commence planning a detailed mapping and rock-chip sampling program at the Basin North prospect, following on from the base-metal trend identified during the heli-assisted reconnaissance. WSR will also assess logistical and access requirements to determine the feasibility of



drill testing the Airborne Electro-Magnetic (AEM) plates that remain unexplained due to lack of any surface expression.

The geological setting of granite-greenstone contacts and thick greenstone sequence at Opaline Well are a known pegmatite “goldilocks zone” for major lithium deposits in the Pilbara region. WSR intends to complete a desktop assessment on the lithium prospectivity by utilising WSR’s flown radiometric data and sourcing and processing existing airborne reflectance surveys, to locate specific micas and strong radiometric signatures, which are indicators of possible pegmatites for later field verification.

Other Projects

During the quarter, Westar also continued to review project opportunities that align with the exploration strategy and meet value and prospectivity criteria.

Market Sensitive Announcements During the Quarter

- 1 August 2022, “**Opaline Well Exploration Update**”
- 25 August 2022, “**Drilling Highlights VMS Potential at Gidgee North**”
- 27 September 2022, “**Opaline Well Exploration Defines Base Metal Mineralisation**”

Corporate

During the quarter, the Company issued performance rights to exploration staff and lodged its annual report to shareholders.

Current cash at 30 September 2022 was \$1.74 million. The Company remains funded to execute on its CY2022 exploration activities.

Financial

STATEMENT PURSUANT TO LISTING RULE 5.3.4

Westar Resources Limited provides the following additional information in accordance with Listing Rule 5.3.4.

Table 1 sets out a comparison of the use of funds to date compared to the Use of Funds Statement included in the Prospectus dated 23 October 2020. The Company was admitted to the Official List of ASX on 16 December 2020.

Table 1 – Use of Funds.

Use of Funds	Per Prospectus Dated 23 October 2020	Expenditure to date to 30 September 2022
	\$	\$
Exploration Activities	\$2,400,000	\$2,957,658
Salaries & Wages	\$700,800	\$1,421,323*
Administration expenses and working capital	\$2,324,240	\$1,036,271

* includes fees paid to external contractors in addition to employee wages and salaries.

Exploration Activities: The higher expenditure on exploration activities is due in part to more aggressive exploration being undertaken by the Company as part of the "test and kill" strategy to review projects quickly. The total spend also includes expenditure on projects that were acquired subsequent to the IPO prospects and in addition to general increases in costs of exploration from drilling rates, fuel and assay test work.

Salaries and Wages: The increase in salaries and wages is a result of increased costs of consultants, employing staff as opposed to contractors and the general rising wages costs to meet market conditions. It is noted that management salaries have not changed and remain in line with prospectus disclosure.

Administration expenses and working capital: Reflects increased overhead costs such as market rents and reflects two capital raisings which supported the increased exploration activities and expenses. The total of \$2.32m referred to in the prospectus reflect the budgeted forecast administration expenditure of \$1.8m plus working capital of appx. \$0.5m. The \$1,036,271 as of 30 September 2022 reflects the administration expenditure incurred. The Company notes following capital raisings in 2021 and 2022, the Company also has working capital of appx. \$1.74m remaining.

For the purpose of Section 6 of the Appendix 5B, all payments made to related parties have been paid in relation to director fees.

Tenement Schedule

Table 2 – Tenement Schedule.

Project	Tenement	Status	Grant Date	Term (Yrs)	Area (Blocks)	Area (Km ²)	Interest
Gidgee South	E57/1055	Granted	13/06/2018	5	15	42	100%
	M57/352 (Birrigrin)	Granted	09/07/2007	21	-	113.6 ha	100%
Gidgee North	E53/1920	Granted	31/10/2017	5	70	214	100%
	E51/2044 (SE Bore)	Granted	18/10/2021	5	20	60	100%
	E53-1832-I	Granted	21/08/2020 ¹	5	4	12	Farm-in/JV
	E53/2227 (Romeo's Reward)	<i>Pending</i>			24	72	
	E51/2090 (Juliet's Bore)	<i>Pending</i>			20	60	
Winjangoo	E58/536	Granted	11/9/2018	5	29	88	100%
Opaline Well	E45/4997	Granted	16/11/2018	5	21	67	100%
Mt Finnerty	E16/505	Granted	15/03/2019	5	10	30	100% with RMS farm-in/JV
Parker Dome	E77/2424	Granted	14/09/2017	5	12	33	100% with RMS farm-in/JV

¹ Extension of term date from initial grant

Exploration Lease E59/2329 (Coolaloo Project) was surrendered outright during the quarter.

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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COMPETENT PERSON STATEMENTS

The information in this announcement that relates to Westar Resources Ltd 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.