



3 January 2020

QUARTERLY ACTIVITIES REPORT
FOR THE 3 MONTHS ENDING 31 DECEMBER 2019

- The Company's shares remained suspended from trading on ASX during the Quarter as the Company continued to progress the proposed acquisition of a 50% interest in the Luapula Processing Facility
- During the Quarter, the Company continued discussions with ASX Perth over the proposed acquisition and in respect to some outstanding concerns raised over certain aspects of the acquisition structure and made updated submissions to ASX to specifically address these outstanding concerns
- The Company was advised by ASX late in the Quarter that in respect to the proposed acquisition *"there is a significant likelihood that WFE would fail to meet ASX's requirements for admission, were it to proceed with its application"* and furthermore that *"under Listing Rule 1.19, admission to the official list is in ASX's absolute discretion and ASX may grant or refuse admission without giving any reasons"*
- As a result of the response from ASX, the Company advised shareholders subsequent to the end of the Quarter, that it does not believe it is in shareholder interests to re-submit an updated application in respect to the acquisition and going forward the Company will not be proceeding with the acquisition and management and operation of the Luapula Processing Facility
- The Company further advised that to address ASX's newly advised policy in respect to *"the automatic removal of entities suspended for an unacceptably long period,"* it believes it is in the best interest of shareholders to focus its operating activities on its existing assets including the Hamersley Iron Project
- During the Quarter, the Company commenced drawings on its A\$250,000 standby loan facility to meet any creditor payments and to fund costs associated with the Hamersley Iron Project
- Exploration activities at the Hamersley Iron Project during the Quarter comprised review work by consultants in respect to the completion of a JORC (2012) Compliant Resource and updating of the 2014 Hamersley Iron Project Mine Gate Scoping Study
- Subsequent to the Quarters end, the Company released a JORC (2012) Compliant Total Mineral Resource of 343.2 Mt at 54.5% Fe (57.9% CaFe) for the Hamersley Iron Project (refer ASX Announcement dated 24 January 2020)
- At the Company's Bloom Lake Project in Canada, the Company's consultants continued their planning of the next phase of exploration and in particular a focus on several key mining claims located within the historic high-grade silver-cobalt mining district of Cobalt-Gowganda in eastern Ontario
- During the Quarter, UK-based Mr Richard Lloyd was appointed to the Board as a non-executive director, and Mr Michael Pitcher was appointed as Company Secretary and Chief Financial Officer

Winmar Resources Limited (**ASX Code: WFE**) (“**Winmar**” or the “**Company**”) provides the following summary of activities undertaken during the quarter to 31 December 2019 (**Quarter**) to deliver on the Company’s stated cobalt strategy.

1. DRC Cobalt Strategy and Acquisition Strategy

At a General Meeting of the Company in June 2018, shareholders demonstrated their support to the Company’s proposed strategy to acquire advanced and highly prospective cobalt projects and operations in the Democratic Republic of Congo. At the meeting, all resolutions were carried on a show of hands and with validly appointed proxies of between 93% - 98% in favour of each resolution. Shareholders further ratified the issue of shares for funding that was secured to advance the Company’s ‘DRC Cobalt Strategy’.

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

Winmar was advised by ASX that on completion, the Acquisition will amount to a significant change in the nature and scale of its activities, and as such it will be required to satisfy Listing Rules 11.1.2 and 11.1.3 and obtain approval from its shareholders. The Company’s securities have remained in suspension for the past 18 months whilst the Company progresses re-compliance with Chapters 1 and 2 of the ASX Listing Rules and completes the Acquisition.

The Company has since July 2018 provided ASX with a number of applications for in-principle advice (**Applications**) summarising the key terms of the Acquisition, the material arrangements, the associated debt and or equity capital raising and the resultant proposed capital structure. The Company has further sought to address various concerns raised by ASX in regards to the Acquisition and Applications submitted.

During the Quarter, the Company received a response from ASX in regards to updated submissions lodged in October 2019 and November 2019. The response received from ASX was almost identical to the one received in November 2018 and which the Company disclosed in its ASX Announcement dated 3 December 2018.

In the response received during the Quarter, ASX again advised the Company that *“there is a significant likelihood that WFE would fail to meet ASX’s requirements for admission, were it to proceed with its application”* and furthermore that *“under Listing Rule 1.19, admission to the official list is in ASX’s absolute discretion and ASX may grant or refuse admission without giving any reasons.”*

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

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

- a. Operating Licenses and Permits - for which the Company refers to its ASX Announcement dated 3 December 2018 and executed copies of such licenses and permits have been provided to ASX;
- b. Financial Accounts - for which the Company can confirm that during 2019, it had prepared audited accounts for AHIC and Societe Luapula SARL, completed and signed off in accordance with

International Financial Reporting Standards and which were submitted to ASX along with all associated corporate and shareholder documentation in its Applications;

- c. Luapula Processing Facility - for which the Company had an independent valuation and review undertaken in accordance with the written guidelines of the Australasian Institute of Mining and Metallurgy (AusIMM) Valmin Code (2016) and which was released in full by the Company in its ASX Announcement dated 19 March 2019.

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

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

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

2. Hamersley Iron Ore Project

The Hamersley Iron Project comprises Mining Lease M47/1450, and is located approximately 50 km north-east of Tom Price in the Pilbara region of Western Australia, immediately south of the Solomon project held by Fortescue Metals Group Ltd (ASX: FMG) and north of Rio Tinto's rail network.

The Company's interest in the Hamersley Iron Project is held through an unincorporated joint venture, the Winmar Exploration Joint Venture (**WEJV**) between Winmar (70%) and Lockett Fe Pty Ltd (30%) (a wholly owned subsidiary of Cazaly Resources ASX:CAZ (**Cazaly**))

The Hamersley Iron Project has been the subject of several reverse circulation and diamond drilling exploration programs since 1998, and in total 168 holes have been drilled for 22,621m of drilling.

The Hamersley Iron Project includes both Channel Iron Deposit (**CID**) and Detrital Iron Deposit (**DID**) styles of iron mineralisation. The CID is a coherent body at least 2.0 km by 2.5 km in area and, in the southwest, is overlain by DID mineralisation comprising unconsolidated detrital material.

The mineralisation remains open in several directions, particularly to the north.

As a result of the improving iron ore prices and market, the Company has in 2019 been working with a number of technical consultants to review a number of the previously completed technical reports and studies. This review work will assist the Company in planning its next phase of exploration and pre-feasibility and feasibility study work to be commenced.

This work has been focused on the following:

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

Subsequent to Quarters end, the Company announced the results of an independent review of previous Mineral Resource JORC Code (2004) estimate reported by Runge Pinnock Minarco Limited. This work also included an independent review and audit of all the QAQC procedures for the historic drilling, sampling and assaying work completed to ensure compliance with JORC Code (2012), and independent re-modelling of the historical drilling, sampling and assay data to validate previous Mineral Resource estimate and to allow a Mineral Resource estimate to be reported in accordance with the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”(JORC Code 2012).

The Company reported (refer ASX Announcement dated 24 January 2020) a JORC (2012) Compliant Indicated Resource: 42.6 Mt at 55.2% Fe (57.3% CaFe) and a Total Mineral Resource: 343.2 Mt at 54.5% Fe (57.9% CaFe).

| INDICATED MINERAL RESOURCE (JORC 2012) | | | | | | | |
|--|--------------|-------------|-------------|------------|------------|------------|------------------------|
| Mineralisation Type | Tonnes Mt | Fe % | SiO2 % | Al2O3 % | P % | LOI % | CaFe ¹ % |
| Channel (CID) ² | 42.6 | 55.2 | 10.9 | 5.5 | 0.0 | 3.6 | 57.3 |
| Total | 42.6 | 55.2 | 10.9 | 5.5 | 0.0 | 3.6 | 57.3 |

| INFERRED MINERAL RESOURCE (JORC 2012) | | | | | | | |
|---------------------------------------|--------------|-------------|-------------|------------|------------|------------|------------------------|
| Mineralisation Type | Tonnes Mt | Fe % | SiO2 % | Al2O3 % | P % | LOI % | CaFe ¹ % |
| Detrital (DID) ³ | 24.3 | 46.4 | 24.8 | 5.2 | 0.0 | 2.5 | 47.6 |
| Channel (CID) ² | 276.3 | 55.2 | 9.7 | 4.4 | 0.0 | 6.3 | 58.9 |
| Total | 300.6 | 54.5 | 10.9 | 4.4 | 0.0 | 6.0 | 58.0 |

| TOTAL MINERAL RESOURCE (JORC 2012) | | | | | | | |
|------------------------------------|--------------|-------------|-------------|------------|------------|------------|------------------------|
| Mineralisation Type | Tonnes Mt | Fe % | SiO2 % | Al2O3 % | P % | LOI % | CaFe ¹ % |
| Detrital (DID) | 24.3 | 46.4 | 24.8 | 5.2 | 0.0 | 2.5 | 47.6 |
| Channel (CID) | 318.9 | 55.2 | 9.8 | 4.5 | 0.0 | 5.9 | 58.7 |
| Total | 343.2 | 54.5 | 10.9 | 4.6 | 0.0 | 5.7 | 57.9 |

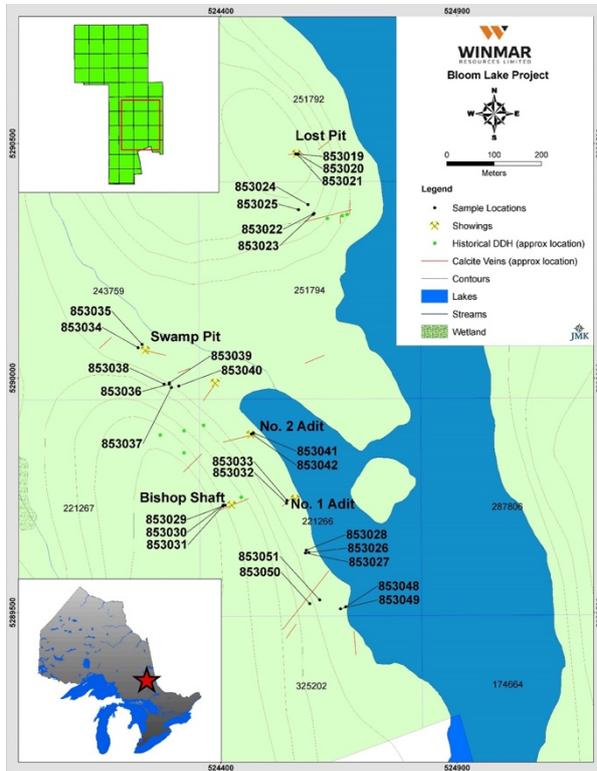
Notes: 1: Calcined Fe (CaFe) calculated by the formula $CaFe \% = [(Fe\%)/100 - LOI / 1000] * 100$

2: Channel Iron Deposit mineralisation reported at a 52% Fe cut-off grade.

3: Detrital Iron Deposit Mineralisation reported at a 40% Fe cut-off grade.

Table 1: JORC Code 2012 Mineral Resource Estimate for the Hamersley Iron Project

3. Bloom Lake Cobalt Project, Canada



Map 1: Phase 1 Cobalt Exploration Program - sample locations at the Bloom Lake Project in Gowganda, Ontario

The Bloom Lake Cobalt Project was acquired in January 2018 from CBLT Inc. (TSXV: CBLT).

The project is located within the historic high-grade silver-cobalt mining district of Cobalt-Gowganda in eastern Ontario and is peripheral to a cluster of former high-grade silver-cobalt mines at Gowganda, 85km northwest of Cobalt, which operated from 1910 to 1989. The region is reported as having produced 60.2 million ounces of silver and 1.3 million pounds of cobalt up to end of 1969.

The Company's initial Phase 1 Cobalt Exploration Program was undertaken in 2018 and consisted of mapping and sampling historical trenches, adits, and shafts located on the Bloom Lake Project.

A total of 33 samples were collected from both bedrock and from loose material proximal to historical trenches, adits, and shafts.

During the Quarter, the Company's technical consultants work was focused on the identification and prioritisation of several of the 51 mining claims that would be the focus on the Company's Phase 2 Cobalt Exploration Program.

It is anticipated that this prioritization work will be completed in the current Quarter and work will then commence.

4. Restructure of Board and Management

During the Quarter, Mr Richard Lloyd was appointed to the Board of the Company, as a Non-Executive Director.

Mr Lloyd has over 25 years investment banking and mining geology experience. Mr Lloyd, who is based in London holds a BSc (Hons) in Mining Geology and A.R.S.M and an M.Sc in Mineral Deposit Appraisal from the Royal School of Mines, Imperial College. Mr Lloyd is a Fellow of the Institute of Materials, Minerals and Mining and a Fellow of the Geological Society.

Mr Lloyd was a Director in the Resources, Energy Infrastructure team at ANZ London having joined from Commerzbank AG. He has also held positions at Dresdner Kleinwort, Financial Security Assurance UK Ltd and Standard Bank. Before entering the financial services sector to work with natural resource companies,

he began his career as a geologist, having worked on projects in Indonesia, Malaysia, Peru and Zimbabwe, as well as deep level gold mining with AngloGold in South Africa.

With the appointment of Mr Lloyd, current non-executive director, Mr Michael Fry resigned from the Board of Directors of the Company.

In addition, Mr Mike Pitcher was appointed during the Quarter as Company Secretary and Chief Financial Officer replacing Mr Michael Fry due to his other increased work commitments. Mr Pitcher has over 30 years' experience in a variety of accounting, financial and commercial roles.

5. Corporate

To ensure that the Company has sufficient funding to meet any creditor payments and costs associated with its existing projects, including the Hamersley Iron Project, the Company secured standby funding of an initial amount of A\$250,000. These standby loan facilities are secured against the Company's assets, attract an interest rate of 10% p.a., and subject to shareholder approval, and at the option of the lenders can be converted into ordinary shares in the Company upon the reinstatement of the Company to trading on the ASX.

First drawing of the standby funding was completed during the Quarter, with funds applied to meet creditors and payments in respect to the Hamersley Iron Project.

A further approx. A\$134,000 of reimbursement of funds expended by the Company on the Hamersley Iron Project, are also now due to be received from the Company's joint venture partner at the Hamersley Iron Project.

Lodgement of the Company's Half Yearly and Annual Financial Reports is expected in the current Quarter once sign-off by the Company's directors and auditors has been completed. Following lodgement, the Notice of Annual General Meeting and accompanying Explanatory Statement is proposed to be lodged with ASX. This Notice of Annual General Meeting has already been submitted and approved for release by ASX, pending release of the financial statements.

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

Authorised by The Board of Winmar Resources Limited

Mr Jason Brewer

Chairman

Winmar Resources Limited



INTERESTS IN MINING TENEMENTS AS AT 31 DECEMBER 2019

| Project | Lease | Commodity | Location | Interest |
|------------------------|--|---------------|-------------------|----------|
| Hamersley ¹ | M47/1450 | Iron Ore | Western Australia | 70% |
| Bloom Lake | 104745, 127877, 127878, 127996, 139341, 148437, 155882, 171868, 172508, 174025, 174026, 174664, 175693, 185034, 191344, 191345, 191346, 192000, 220645, 220646, 220647, 221266, 221267, 228597, 228598, 228599, 229223, 240761, 243759, 248051, 248708, 251792, 251793, 251794, 263279, 270531, 287182, 287806, 287807, 287808, 295314, 295940, 307414, 307415, 308044, 308045, 308046, 325074, 325202, 335540, 336173 | Cobalt-Silver | Ontario, Canada | 100% |

¹ Winmar's interest in the Hamersley Iron Ore Project is by way of an unincorporated joint venture with Lockett Fe Pty Ltd, a subsidiary of Cazaly Resources Ltd.

Competent Person Statement

The information in this report which relates to Exploration Targets, Exploration Results and Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG"), a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Maynard is the Director and principal geologist of Al Maynard & Associates Pty Ltd and has over 40 continuous years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

Where the Company refers to previous Exploration Results it confirms that it is not aware of any new information or data that materially effects the information included in previous announcements and all material assumptions and technical parameters disclosed in those announcements continue to apply and have not materially changed.

Forward looking statements

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

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general

economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

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

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