



13 February 2020

Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

**HAMERSLEY SCOPING STUDY REVIEW COMPLETED
RECOMMENDATIONS FOR PRE-FEASIBILITY STUDY WORK PROGRAM RECEIVED**

Winmar Resources Ltd (**Winmar** or the **Company**) (**ASX Code: WFE**) is pleased to advise that the Company's technical consultants have completed a review of Hamersley Iron Project - 2014 Mine Gate Scoping Study (**Scoping Study**) and have put forward recommendations for the work program to be completed in order for the Company to progress a Pre-Feasibility Study on the Hamersley Iron 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.

Winmar'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**))

In 2014 the Company announced the results of the Scoping Study that was completed by SRK Consulting in February 2014 (refer ASX Announcement dated 11 March 2014).

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 modelling."*

The Company concluded in the ASX Announcement dated 11 March 2014 that *"the mine planning work completed to date indicates that the Project is economically viable at forecast iron ore prices for the grades anticipated."*

In June 2019, Winmar engaged Perth-based geological consulting group Al Maynard & Associates (**AM&A**) to complete a review of the Hamersley Iron Project and to complete a new Mineral Resource prepared in accordance with the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

The initial results of this work, were released in an ASX Announced dated 24 January 2020 and included an independent review completed of previous Mineral Resource JORC Code (2004) estimate, an independent review of QAQC procedures and re-modelling of the historic drilling, sampling and assaying work completed, and which enabled a new Mineral Resource JORC Code (2012) to be announced by the Company.

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The Company is pleased to now present the key findings of the AMA review of the Scoping Study and recommendations for the work program to be completed to allow a Pre-Feasibility Study on the Hamersley Iron Project to be undertaken.

Mineral Resources

The Scoping Study considered only the Indicated Resources of the previous JORC(2004) compliant Mineral Resource.

In January 2020, a new Mineral Resource JORC Code (2012) was announced by the Company.

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

AMA has recommended that prior to commencement of a Pre-Feasibility Study, further in-fill drilling into the shallower Inferred DID and CID Mineral Resources at the Hamersley Iron Project be completed.

This has been proposed in order to convert these to at least Indicated Mineral Resources, so that they can then form part of the potential Mineral Reserves to be included in a Pre-Feasibility Study.

AMA has also recommended that the bulk density of both the ore and waste is be better defined before future resource modelling with both bench-top measurements using the Archimedes displacement method and down-hole in-situ density logging of drill holes to be undertaken.



Mining

The Scoping Study assumed that the shallower CID deposits would be mined using conventional open cut methods.

The mining assumptions of method, mining losses and dilution, production rates etc considered and discussed in the Scoping Study were determined to remain valid.

AMA has identified the need to update the production costs with prevailing rates and valid contractor rates will need to be undertaken, in addition to further geotechnical work and refinement of the mining dilution and ore losses.

Mineral Processing and Metallurgy

The following two processing options were considered in the Scoping Study:

- a) Producing a Fines only DSO product through conventional crushing and screening processes; and
- b) Producing an upgraded Beneficiated Fines Ore (BFO) product through the removal of the -45 μm fines fraction with wet processing methods.

The product sold after on-site processing was assumed for the Scoping Study to have a grade of 57% Fe and sub 15% combined SiO_2 and Al_2O_3 .

This product is low grade by international standards and would be sold at a discount to a typical >63.5% Fe product and may incur further penalties if other deleterious elements including SiO_2 , Al_2O_3 and P are above customer maxima specifications.

AMA has recommended further metallurgical tests are carried out on bulk samples collected in-situ from trenches or shafts rather than using RC drill chips, as was done previously, with the aim of efficiently and economically producing a higher grade product with less contaminants that could command a higher sale price without penalties.

Infrastructure

AMA has advised that the assumptions in the Scoping Study generally remain valid, however more detailed capital cost estimates are required as part of the Pre-Feasibility Study.

Economics and Marketing

The Scoping Study used a AUD:USD exchange rate of 0.85 and the iron ore price was assumed to be A\$117/tonne of 57% Fe product.

The AUD:USD exchange rate has been steady for the last several years averaging 0.69 for the last 12 months and trading within a fairly narrow range of 0.66 to 0.72.

The current price for 63.5% Fe at Tianjin China is US\$81.50/tonne or A\$118/tonne, and over the past 5 years has averaged approximately US\$69.50/tonne or A\$101/tonne.

AMA has advised that further financial evaluation will be required for the Pre-Feasibility Study, with specific attention to the product pricing which is to be driven by the metallurgical testwork which is proposed to determine the ability of producing a higher grade product.



Key Recommendations

AMA has reconfirmed the key work and areas of focus that are required to advance the Scoping Study towards a Pre-Feasibility Study in 2020.

These include:

- a) further metallurgical testwork;
- b) confirmation of the mass recovery and product sizing based on variability testing on diamond drill core;
- c) confirmation of the product quality from additional testing and in conjunction with detailed mine production modelling;
- d) confirmation of the target product mix based on the additional testwork in conjunction with mine modelling and marketing;
- e) appointment of a marketing expert to assist in the determination of the optimum product mix;
- f) further development of the processing flowsheet in conjunction with additional option studies;
- g) generation of the standard deliverables associated with the next level of engineering work required in a pre-feasibility study including detailed process design criteria, mass balance, process flow diagrams and equipment modelling and sizing;
- h) generation of updated capital and operating cost estimates with the high level of accuracy required for a pre-feasibility study and based on the more detailed engineering deliverables; and
- i) review of the potential process risks and mitigation plans, in particular optimising water and power consumption.

Next Steps

The Company has now completed an updated JORC (2012) Compliant Mineral Resource and a review of the Hamersley Iron Project Scoping Study.

This work provides the platform for the Company to finalise its schedule of exploration activities at the Hamersley Iron Project for 2020 and planning for a Pre-Feasibility Study work.

A number of recommendations have also been made, in particular the need to complete further in-fill drilling into the shallower Inferred DID and CID Mineral Resources and further metallurgical testwork.

The Company will continue to update shareholders on its progress with this ongoing work.

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

Authorised by The Board of Winmar Resources Limited

For further information please contact:

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Chairman
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Competent Persons 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.