

## ASX ANNOUNCEMENT

16<sup>th</sup> May 2011

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### Continued Success at Winmar Deposit

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- Further drilling results received  
**44m @ 60.7% CaFe and 48m @ 61.0% CaFe,**
- Marketing Expert Appointed – Mr. Philip Kirchlechner
- All results are from holes located outside the current resource area, excellent potential for future resource increases
- Resource Upgrade planned for current quarter

#### Ongoing Exploration Success

Winmar Resources Limited (ASX:WFE) in conjunction with its partner Cazaly Resources Limited (ASX:CAZ) is pleased to announce the first results from the 12,000m RC drilling extension and infill program. These results are from the first four holes of approximately 80 holes to be drilled during the current program. Mineralisation occurs as fine pisolites, typical of Channel Iron Deposits (CID). These drillholes include exceptional results up to 500m outside the current resource area which provides excellent scope for additional resource increases.

The RC program is targeting a 2.8km long gravity anomaly which closely correlates with the CID mineralisation. Previous drilling had tested only 1.5km of the anomaly with CID mineralisation open in all directions. Results to date support the Company's claimed exploration target of 250-300Mt @ 55-59% CaFe for the Winmar Deposit. Some previous drill holes have intersected mineralised bedded iron formation beneath the channel which presents a target for future exploration.

Table 1. Significant results for Winmar deposit, May 2011 ( $\geq 50\%$  Fe)

HoleID	East	North	Hole Depth	From	Length	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P%	S%	LOI <sub>1000</sub>	CaFe <sub>1000</sub>	EOH ?	
PLRC0044	604291	7530693	162	110	48	57.4	7.85	3.53	0.04	0.01	5.87	60.98		CID
PLRC0045	604161	7530569	162	112	50	56.6	9.46	3.33	0.03	0.01	5.39	59.84	Yes	CID
PLRC0046	604020	7530420	162	136	26	56.2	10.61	4.16	0.03	0.007	4.11	58.59	Yes	CID
PLRC0047	603868	7530288	156	108	22	59.1	7.69	3.18	0.03	0.01	3.91	61.53		CID
PLRC0048	603917	7530681	152	114	28	57.8	8.13	3.26	0.04	0.01	5.27	61.05		CID
				144	8	55.0	8.67	3.86	0.05	0.01	8.20	59.86	Yes	CID
PLRC0049	603776	7530532	164	120	44	57.9	8.58	3.22	0.03	0.01	4.79	60.79	Yes	CID
PLRC0050	603632	7530393	146	114	14	54.5	10.41	6.24	0.02	0.02	4.16	56.82		
PLRC0052	603739	7530876	138			NSA								ABD

The current Inferred Resource Estimate for Winmar is 143Mt @ 52.6% Fe (55.6% CaFe). These new results are expected to extend the Main CID Zone currently comprising 92Mt @ 54.9% Fe (58.4% CaFe).

### Development Progress

It is planned to prepare an updated JORC resource calculation during the current quarter. Furthermore, Winmar is currently reviewing proposals from engineering firms to conduct the initial Conceptual Scoping Study on the Winmar project in the current quarter. This will review the various development options for the project with a view to expediting infrastructure solutions.

### Appointment of Iron Ore Expert

Winmar has appointed iron ore and steel industry veteran Philip Kirchlechner to a marketing consultant role. Philip has 20 years experience in marketing and business development in the iron ore and steel industry, gained through positions with Hamersley Iron, Rio Tinto Iron Ore, Voest-Alpine (VAI) and J.P. Morgan. Philip has worked for Australian iron ore company Aurox Resources, where he successfully identified, negotiated with and ultimately secured off-take agreements with Chinese partners for its Balla Balla Iron Ore Project in Western Australia.

Mr Kirchlechner was also formerly Head of Marketing at Fortescue Metals Group (FMG) and was instrumental in the company building relationships with key decision makers in the Asian steel industry, including iron ore end users in Japan, Korea, Taiwan and mainland China.

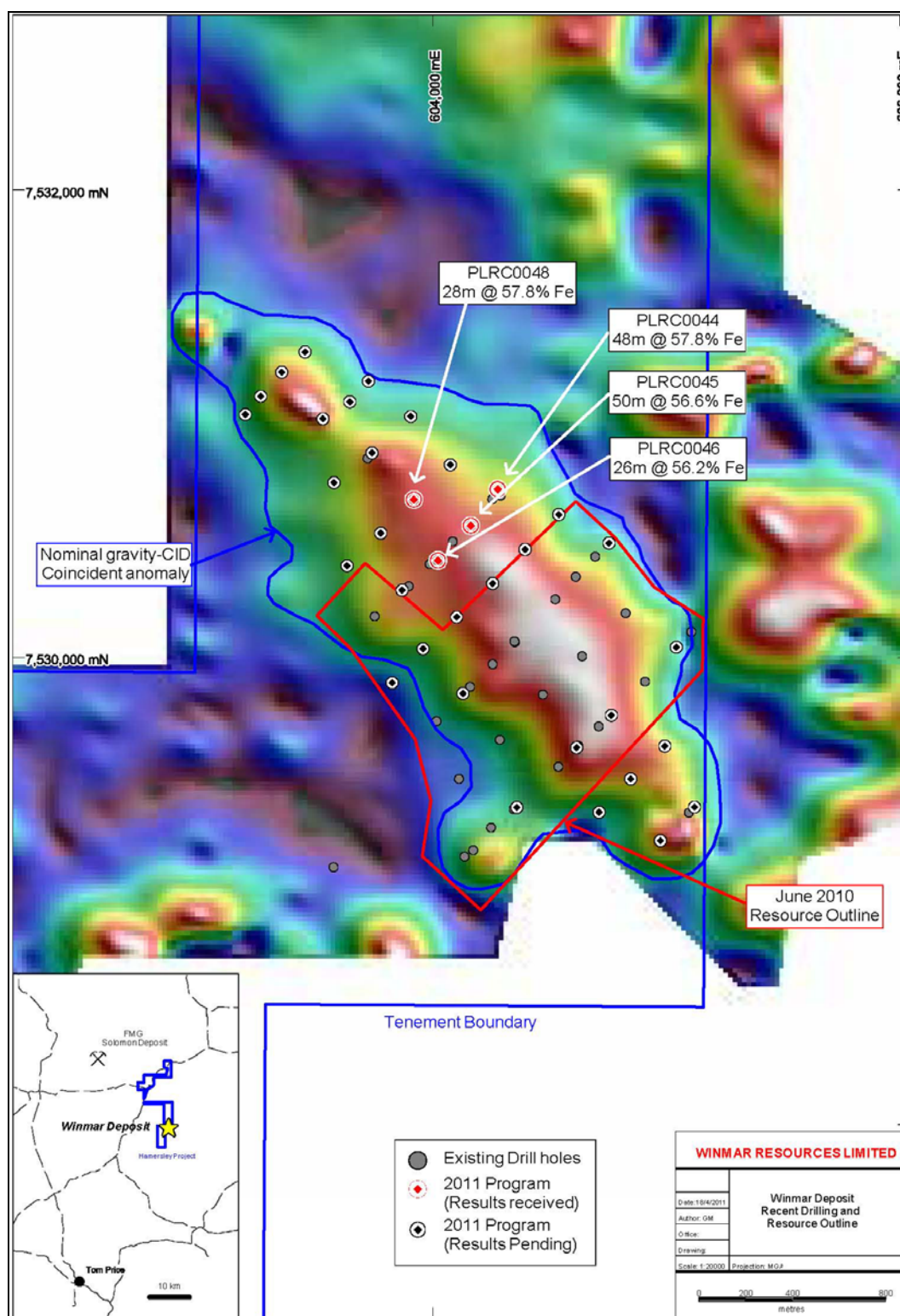


Table 2. Winmar Resource Estimate, June 2010, ID<sup>2</sup>

Ore Type	Cut Off Fe %	Tonnes t	Fe %	CaFe %	Al <sub>2</sub> O <sub>3</sub> %	P %	SiO <sub>2</sub> %	LOI %
Detrital Iron	40	36,090,000	45.81	47.05	5.68	0.03	25.12	2.65
Channel Iron	52	92,260,000	54.92	58.44	4.20	0.04	10.56	6.02
Bedded Iron	52	14,880,000	54.97	59.32	4.16	0.05	9.42	7.32
Channel & Bedded Iron	52	107,140,000	54.93	58.57	4.19	0.04	10.40	6.20
<b>Total</b>	<b>40 / 52</b>	<b>143,230,000</b>	<b>52.63</b>	<b>55.58</b>	<b>4.57</b>	<b>0.04</b>	<b>14.11</b>	<b>5.31</b>

NB: Calcined Fe (CaFe) calculated by the formula  $\text{CaFe}\% = (\text{Fe}\%)/(100-\text{LOI}1000)) \times 100$



Drilling at the Winmar Deposit, April 2011.

For further information, please contact:

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*Notes:*

*The information that relates to exploration targets, exploration results and drilling data of Cazaly operated projects is based on information compiled by Mr Gregory Miles who is a Member of The Australian Institute of Geoscientists and is an employee of Cazaly Resources Limited. The information in this report that relates to the Winmar Deposit Resource Estimate is based on information compiled by Ms Felicity Repacholi-Muir who is a Member of the Australian Institute of Geoscientists and is also a member of Cazaly Resources Limited. Both Ms Repacholi-Muir and Mr Miles have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Both Ms Repacholi-Muir and Mr Miles consent to the inclusion of their names in the matters based on their information in the form and context in which it appears.*

*The Exploration Target refers to the conceptual extended resource of the Winmar Deposit based on drilling to date and the geometric extent of a gravity anomaly with coincident CID mineralisation. At the present time there is insufficient drilling to determine the extended mineral resource estimate and it is uncertain if further exploration will result in the determination of such a resource.*