

ASX ANNOUNCEMENT

30th May 2011

Further Encouraging Results at Hamersley Project

- Further drilling results received
40m @ 57.7% Fe (61.2% CaFe), 64m @ 56.6% Fe (60.2% CaFe) and 74m @ 54.3% Fe (57.9% CaFe)
- Results from outside current resource area as well as infill
- Results over full 2.8km of associated gravity anomaly. Provides further scope for additional resource increases
- Infill drilling confirms mineralisation continuity
- Metallurgical programme underway
- Appoints Engenium to provide Order of Magnitude Study

Ongoing Exploration Success

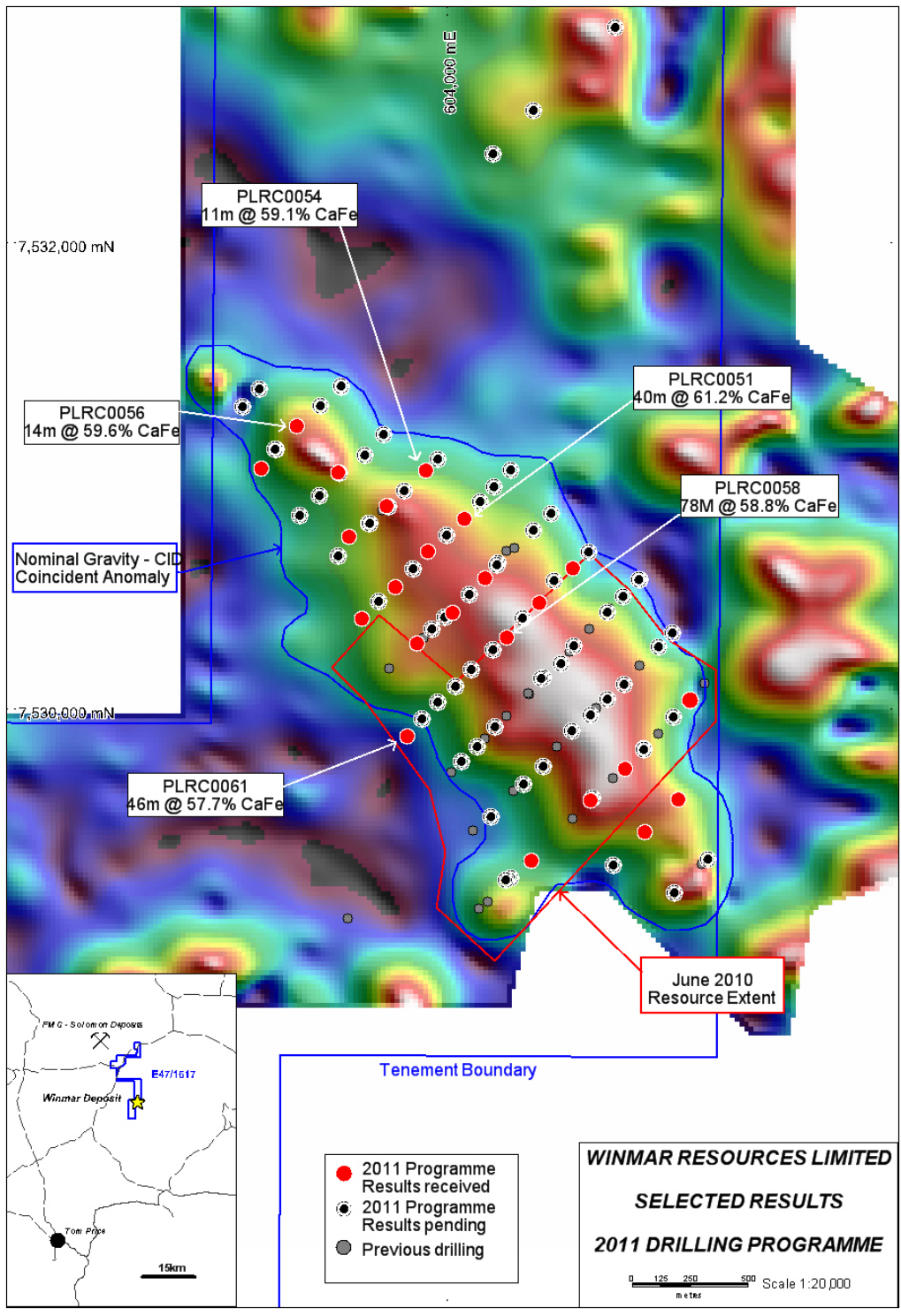
Winmar Resources Limited (ASX:WFE) in conjunction with Cazaly Resources Limited (ASX:CAZ) is pleased to announce further results from the 12,000m RC drilling extension and infill program. Results from 22 RC holes have now been received, however 75% of the drilling results remain outstanding.

Mineralisation is now confirmed to stretch over the full 2.8km of the coincident gravity anomaly. The width of mineralisation appears to be much broader than anticipated, with additional drill holes added to the programme to fully define the extent of mineralisation. An updated JORC resource is planned for the current quarter.

Mineralisation occurs as fine pisolites, typical of Channel Iron Deposits (CID). Coarser, detrital mineralisation (DID) has also been intersected, which despite being lower grade (PLRC0066 24m @ 51.5% Fe), is significantly closer to surface and will assist development of the deposit.

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Several holes have also intersected significant bedrock mineralisation (BED). Although this has not been a goal of the programme, this does present a target for future exploration.



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). See Table 2, below.

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Metallurgical Programme

A Diamond Drill rig has now been mobilised to site to complete a program of 4 large diameter diamond holes for the purpose of obtaining sample to commence metallurgical test work. Test work completed by Cazaly in 2010 indicated good potential for successful beneficiation of the CID material. This programme will involve a more comprehensive range of tests across the full strike of the deposit.



Diamond Drilling at Winmar, May 2011.

Appointment of Engenium to conduct Order of Magnitude Study

Winmar has appointed recognised engineering consultants, Engenium, to complete an Order of Magnitude Study. Engenium is a Project Delivery company servicing the resource and infrastructure sectors of Australia. Engenium's service offering includes all aspects of project development from early metallurgical testwork programs, scoping/feasibility studies, engineering design and construction management. Founded in 2003, Engenium has assisted numerous junior, mid-tier and major companies in the Australian mining sector with the development of their iron ore projects.

The Order Of Magnitude Study will review potential development options for the Project.

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

Hole ID	East	North	Depth	From	Length	Fe%	SiO ₂ %	Al ₂ O ₃	P%	S%	LOI	CaFe%	Notes
PLRC0051	604074	7530824	160	118	40	57.7	7.30	3.94	0.04	0.01	5.64	61.2	CID
PLRC0053	603577	7530748	150	116	28	56.6	8.87	3.95	0.03	0.01	5.40	59.8	CID
PLRC0054	603905	7531031	174	148	11	56.4	10.06	4.05	0.03	0.01	4.59	59.1	CID
				164	10	56.9	7.45	3.11	0.04	0.01	7.49	61.5	BID
PLRC0056	603353	7531221	163	138	14	54.4	9.09	3.60	0.02	0.01	8.67	59.6	CID
PLRC0057	604395	7530462	174	100	74	54.3	11.27	3.75	0.05	0.01	6.14	57.9	CID + BID
				100	66	54.5	11.78	3.69	0.04	0.01	5.63	57.7	CID
				166	8	54.2	10.77	3.82	0.06	0.01	6.65	58.0	BID
PLRC0058	604255	7530316	180	100	78	54.5	9.2	4.5	0.1	0.0	7.4	58.8	CID + BID
				100	64	56.6	8.46	3.55	0.04	0.01	5.95	60.2	CID
				164	14	52.3	9.89	5.48	0.07	0.02	8.83	57.4	BID
PLRC0061	603826	7529891	192	146	46	53.7	10.58	4.70	0.05	0.01	6.79	57.6	CID + BID
				146	30	52.5	11.76	5.41	0.05	0.01	6.68	56.3	CID
				178	14	57.1	7.48	3.09	0.05	0.01	6.72	61.2	BID
PLRC0064	604763	7529752	157	88	32	53.8	11.65	3.70	0.05	0.01	7.03	57.8	CID
				128	10	53.7	8.30	4.94	0.04	0.02	8.92	59.0	BID
				152	5	54.5	10.80	6.78	0.03	0.02	3.58	56.6	BID
PLRC0065	604614	7529614	151	80	68	53.7	11.26	4.15	0.05	0.02	7.05	57.8	OAL + BID
				80	52	53.3	12.12	4.00	0.05	0.02	6.80	57.2	BID
				132	16	54.9	8.48	4.65	0.06	0.02	7.86	59.5	BID
PLRC0066	604358	7529358	115	34	24	51.5	18.87	4.53	0.03	0.03	2.15	52.7	DID
				68	2	51.1	17.44	6.40	0.03	0.01	2.53	52.4	CID
				112	3	52.2	14.36	6.11	0.03	0.01	3.65	54.2	BID -
PLRC0067	604538	7530611	162	114	30	53.7	11.95	4.63	0.04	0.01	5.85	57.1	CID
				146	4	53.9	11.06	3.91	0.06	0.01	7.18	58.1	CID
PLRC0069	604993	7529620	127	76	6	52.5	10.79	4.48	0.04	0.02	8.91	57.6	CID
PLRC0070	604846	7529480	145	78	28	53.2	11.6	3.30	0.05	0.01	8.32	58.0	CID+BID
				78	12	54.0	11.5	2.65	0.05	0.01	8.00	58.7	CID
				90	16	52.6	11.6	3.79	0.05	0.01	5.56	57.6	BID
PLRC0074	603197	7531040	150	120	6	51.7	14.02	5.07	0.02	0.01	5.37	54.66	CID

Notes: Hole coordinates refer to UTM Zone 50 (GDA94)
 All holes drilled vertically
 Samples analysed by Bureau Veritas Kalassay by XRF with LOI determined at 1000°C
 CaFe calculated by: $(\text{Fe}\% / (100 - \text{LOI}\%)) * 100$

Table 2. Winmar Resource Estimate, June 2010, ID

Ore Type	Cut Off Fe %	Tonnes t	Fe %	CaFe %	Al ₂ O ₃ %	P %	SiO ₂ %	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
Total	40 / 52	143,230,000	52.63	55.58	4.57	0.04	14.11	5.31

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

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 he 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.

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