WINMAR RESOURCES LIMITED

ASX ANNOUNCEMENT

21 August 2012

Winmar expands Hamersley Iron Ore Resource by 52%

New Global Inferred Resource: 368Mt @ 54.7%Fe (58% CaFe)

Key points

- **Winmar confirms a 52% Resource upgrade at the Hamersley project.**
- **The new global Inferred Resource estimate is;**
  - **368Mt @ 54.7% Fe (58% CaFe), including**
  - **Main CID zone of 343.3Mt @ 55.3% Fe (58.7% CaFe).**
- **The CID zone commences within 30 metres from the surface.**
- **Deposit remains open in several directions with most northerly hole containing 90m @ 51.63% Fe (55.98% CaFe).**
- **Further drilling is planned to define the extent of shallow high grade mineralisation in southwest of project area (74m @ 59.15%Fe (60.47% Calcined Fe) from 28m in PLRC0162, within a CID zone of 102m thickness).** [1]

Winmar Resources Limited (ASX: WFE) (Winmar) is pleased to announce a significant upgrade to its Inferred Mineral Resource at the Hamersley Iron Ore project located approximately 50km north-northeast of Tom Price, in the Pilbara region of Western Australia.

The new Inferred Mineral Resource estimate is **368Mt @ 54.7% Fe (58.0% Calcined Fe (CaFe))**. This represents a significant upgrade of 52% on the previous Resource estimate (of 241.6Mt @ 54.3% Fe (57.6% CaFe), confirmed in July 2011[2]), while also delivering an increase in grade.

The updated Resource includes a Channel Iron Deposit (CID) zone of 343.3Mt @ 55.3% Fe (58.7% CaFe), which commences 30 metres from surface. The new Resource estimate at the Hamersley project is also in line with the project's previously stated Exploration Target of 350-400Mt @ 54-56% Fe[3].

Key parts of the Mineral Resource Report are appended to this announcement and the Mineral Resource estimate is summarised below in Table 1.

Table 1: Winmar Deposit August 2012 Inferred Mineral Resource Estimate

Type	Tonnes Mt	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI %	CaFe %
Detrital (DID)[#]	24.7	46.4	24.9	5.2	0.03	2.5	47.6
Channel (CID)*	343.3	55.3	9.9	4.5	0.04	5.9	58.7
Total	**368.0**	**54.7**	**10.9**	**4.5**	**0.04**	**5.7**	**58.0**

NB: Calcined Fe (CaFe) calculated by the formula CaFe% = [(Fe%)/(100-LOI_{1000})]*100

[#] DID reported at a 40% Fe Cut-off grade. * CID reported at a 52% Fe Cut-off grade.

[1] Refer ASX announcement of 23 July 2012

[2] Refer ASX announcement of 21 July 2011

[3] Refer ASX announcement of 21 July 2011

Background to new Resource estimate

Runge Limited (ASX: RUL) was commissioned to prepare the new Resource estimate, incorporating all drilling results from the project to date, including the recent 4,012 metre RC drill program completed by Winmar.

The Mineral Resource estimate complies with recommendations in the Australasian Code for Reporting of Mineral Resources and Ore Reserves (2004) by the Joint Ore Reserves Committee (JORC).

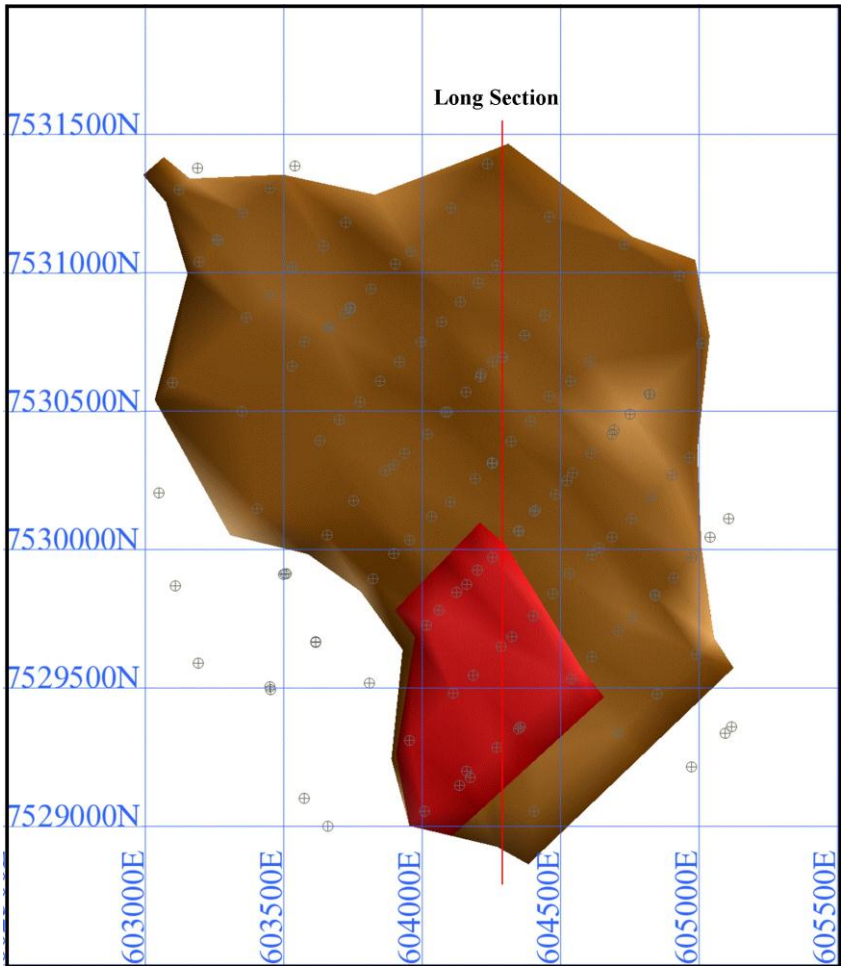

Figure 1: Winmar Drilling and Resource Wireframes (Plan View) CID-Brown DID -Red

The updated Resource is made up of two types of mineralisation, CID and Detrital Mineralisation (DID). The CID is a coherent body commencing within 30 metres of the surface in the southwest of the deposit and extending across an area of approximately 2.0km by 2.5km. The DID mineralisation sits above the CID in the south-western area and is composed of unconsolidated detrital material (see Figures 1 and 2).

The mineralisation is open in several directions, including in the most northerly hole within the deposit area (PLRC0154), which intersected 90 metres @ 51.63% Fe (55.98% CaFe). Figure 3 displays a long section through the deposit.

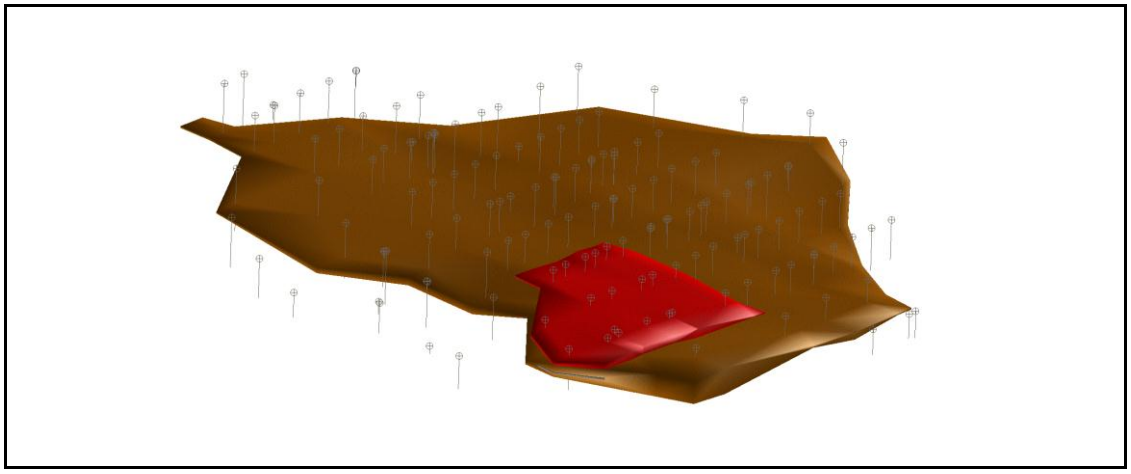

Figure 2: Oblique view of Drilling and Resource Wireframes

The previous Resource estimate (of July 2011) included a combined 212.4Mt of CID and BID (Bedded Iron) mineralisation @ 55.3%Fe (58.8% CaFe). Subsequent relogging of all available RC chips was completed based on new geological information from diamond drilling completed in 2011.

This resulted in a reinterpretation of the previously logged BID as a combination of CID and Tertiary DID. Hence the new Resource contains only DID and CID material types.

The CID material now contains 343.3Mt @ 55.3%Fe (58.7% CaFe) which is a 62% increase on the July 2011 CID and BID resources. There has also been a reinterpretation of some of the DID material as CID, which has resulted in a small decrease in tonnage of this material.

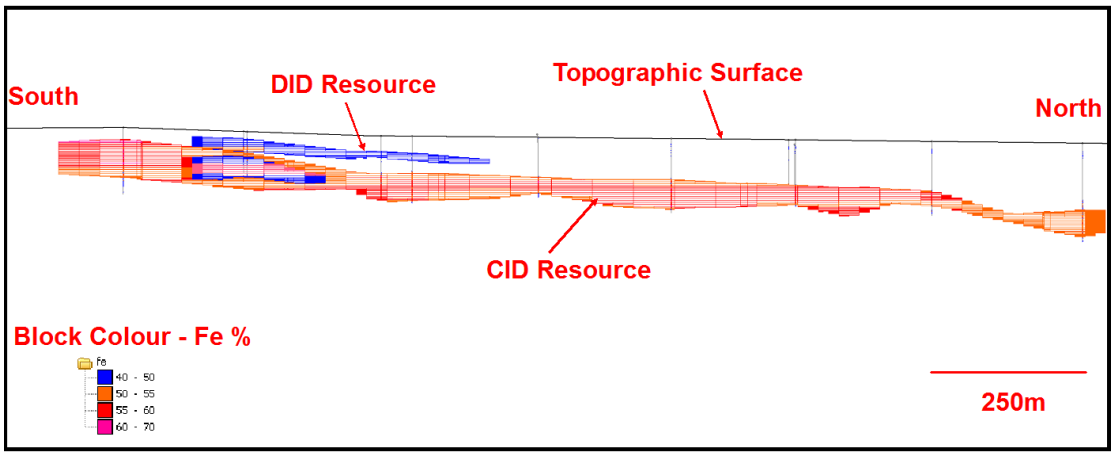

Figure 3: Long Section North South through resource model.

Planned upcoming work

Winmar is now planning a drilling program to define the full extent of the shallow high grade mineralisation in the southwest of the deposit (refer announcement 23 July 2012). Highlight results from the latest drill campaign included an outstanding high grade intercept of 74m @ 59.15%Fe (60.47% Calcined Fe) from 28m in PLRC0162 within a CID zone of 102m thickness. Other high grade intercepts included 28m @ 57.62% Fe (60.21% Calcined Fe) in PLRC0158 and 32m @ 56.81% Fe (60.57% Calcined Fe) in PLRC0159.

It is hoped that this planned drilling will also allow conversion of a portion of the resource to Indicated Mineral Resource.

About the Hamersley Iron Project

Winmar has a Joint Venture Agreement with Cazaly Iron Pty Ltd, a wholly owned subsidiary of Cazaly Resource (ASX: CAZ), for the Hamersley Project, whereby Winmar is able to earn 51% of the project via its exploration expenditure. Winmar has expended in excess of $5 million to date and expects to complete its earn-in interest in the project by mid-2013, whereby Winmar would have expended a total of $6 million as per the JV agreement with Cazaly Iron Pty Ltd.

Under the joint venture Winmar is undertaking and managing the exploration and development program in 2012 at the Hamersley project. This is designed to expand the project's Resource base, advance metallurgical work on the deposit and complete surveys and studies to move the project towards prefeasibility.

The Hamersley project is located in the Tom Price Region of the Pilbara, in close proximity to Fortescue Metals' (ASX: FMG) Solomon project and Rio Tinto's (ASX: RIO) Marandoo and Brockman mines.

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Competent Persons:

The information in this document that relates to Mineral Resources is based on information compiled by Mr D Jenkins and Mr S Searle.

Mr Jenkins is Principal Geologist of Terra Search and a Member of the Australian Institute of Geoscientists. Mr Jenkins has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves.

Mr Searle is a full time employee of RUL and a Member of the Australian Institute of Geoscientists. Mr Searle has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves.

Mr Searle and Mr Jenkins consent to the inclusion of their names in the matters based on their information in the form and context in which it appears.

Appendix A: Resource Statement and Parameters

Winmar Deposit August 2012 Inferred Mineral Resource Estimate

Type	Tonnes Mt	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI %	CaFe %
Detrital (DID)#	24.7	46.4	24.9	5.2	0.03	2.5	47.6
Channel (CID)*	343.3	55.3	9.9	4.5	0.04	5.9	58.7
Total	**368.0**	**54.7**	**10.9**	**4.5**	**0.04**	**5.7**	**58.0**

NB: Calcined Fe (CaFe) calculated by the formula CaFe% = [(Fe%)/(100-LOI_{1000})]*100

DID reported at a 40% Fe Cut-off grade. * CID reported at a 52% Fe Cut-off grade.

Class	Tonnes Mt	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI %	CaFe %
Measured							
Indicated							
Inferred	368.0	54.7	10.9	4.5	0.04	5.7	58.0
Total	**368.0**	**54.7**	**10.9**	**4.5**	**0.04**	**5.7**	**58.0**

The resource estimate was completed using the following parameters:

- The Winmar resource area extends over a strike length of 2,770m (from 7,529,380mN to 7,531,380mN) and includes the 230m vertical interval from 670mRL to 440mRL.
- Drill holes used in the resource estimate include 102 RC holes for a total of 14,423m within the resource wireframes. The complete database in the project area contains records for 152 drill holes for 20,961m of drilling. Drilling in 1998 was conducted by Robe, from 2008 to 2011 by CAZ and in 2012 by WFE.
- Holes in the Winmar area were drilled at approximately 100m intervals along 250m spaced northeast-southwest drill lines.
- RUL has not undertaken a site visit, however is satisfied that current information is sufficient to allow a technical assessment to be made without a project inspection.
- The drill holes were sampled at 2m intervals and were assayed for Fe, SiO_2, Al_2O_3, P, LOI and other elements in the 'Iron Suite' at Kalassay Laboratory in Perth for CAZ drilling and at Nagrom Laboratory in Perth for WFE drilling.
- QAQC analysis of drilling at Winmar was conducted by Terra Search. A review of results by RUL suggests that no bias is present in the data set and that the assay data is suitable for resource estimation.
- Drill hole collar positions have been surveyed using DGPS and recorded on MGA94, Zone 50 grid co-ordinate system.
- All drill holes are vertical. Drill holes have design azimuths and dips with no down hole surveys completed.
- Wireframes of the mineralisation were constructed using cross sectional interpretations based on a 40% Fe cut-off grade for DID mineralisation and a 50% Fe cut-off grade for CID mineralisation. Internal waste envelopes were constructed within the CID envelopes for material below a nominal 50% Fe cut-off grade. In all cases a minimum down hole intercept length of 4m was adopted.
- Samples within the wireframes were composited to 2m intervals based on analysis of the sample lengths in the database. No high-grade cuts were applied.

- A Surpac block model was used for the estimate with a block size of 100m NS by 50m EW by 5m vertical with sub-cells of 25m by 12.5m by 1.25m. No rotation was applied to the block model after examining drill hole spacing and grade variability along strike and across strike.
- OK grade interpolation used an oriented 'ellipsoid' search for each element. Two passes were used to fill the model with 97% of the model being filled in the first pass.
- Limited bulk density data was available. At the direction of Terra Search, a bulk density value of 2.50/m^3 was applied to the DID mineralised material and all waste material in the resource, while a bulk density value of 2.80/m^3 was applied to the CID mineralised material in the resource.
- The deposit displays reasonable geological and mineralisation continuity from information provided, however due to the sparse drill data, both geological and grade continuity is assumed rather than verified; therefore the deposit meets the criteria for an Inferred Mineral Resource.