

ASX ANNOUNCEMENT

11 March 2014

Winmar Exploration Joint Venture receives encouraging Scoping Study results at its Hamersley Iron Project

Scoping Study indicates an Iron Ore Mining Operation at Hamersley Iron Project is economically viable:

- Based only on the Indicated Mineral Resource (**42.6Mt at 55.2% Fe**)
- Confirms Winmar can start a Mining Operation with a 2Mtpa dry Direct Shipping Ore (DSO) product
- Supported with cash flow after 3-4 years, the mine would look to introduce a wet Beneficiated Fines Ore (BFO) processing operation
- Life of Mine is expected to be 14 years for a combined DSO/BFO operation at a 57% Fe grade
- Low Capex and Opex
- Encouraging Cash Flow and NPV at forecast iron ore prices

Winmar Resources Limited (ASX: WFE) ("Winmar"; "the Company") in conjunction with its Joint Venture Partner, Cazaly Resources Ltd (ASX: CAZ) ("Cazaly"), is pleased to announce the results of the Mine Gate Scoping Study performed at the Hamersley Iron Project ("the Project"; "HIP") by SRK Consulting, dated 28 February 2014. The study reports on development options for the Indicated Mineral Resource containing Channel Iron Deposit (CID) mineralisation in the south-west area of the HIP mining lease. Here, the CID is relatively shallow (from 26m) and suitable to open cut mining methods. The Indicated category is **42.6Mt at 55.2% Fe**, in addition to **300.6Mt** of Inferred category **at 54.5% Fe** (refer Table 1).

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 mine planning work completed to date indicates that the Project is economically viable at forecast iron ore prices for the grades anticipated.

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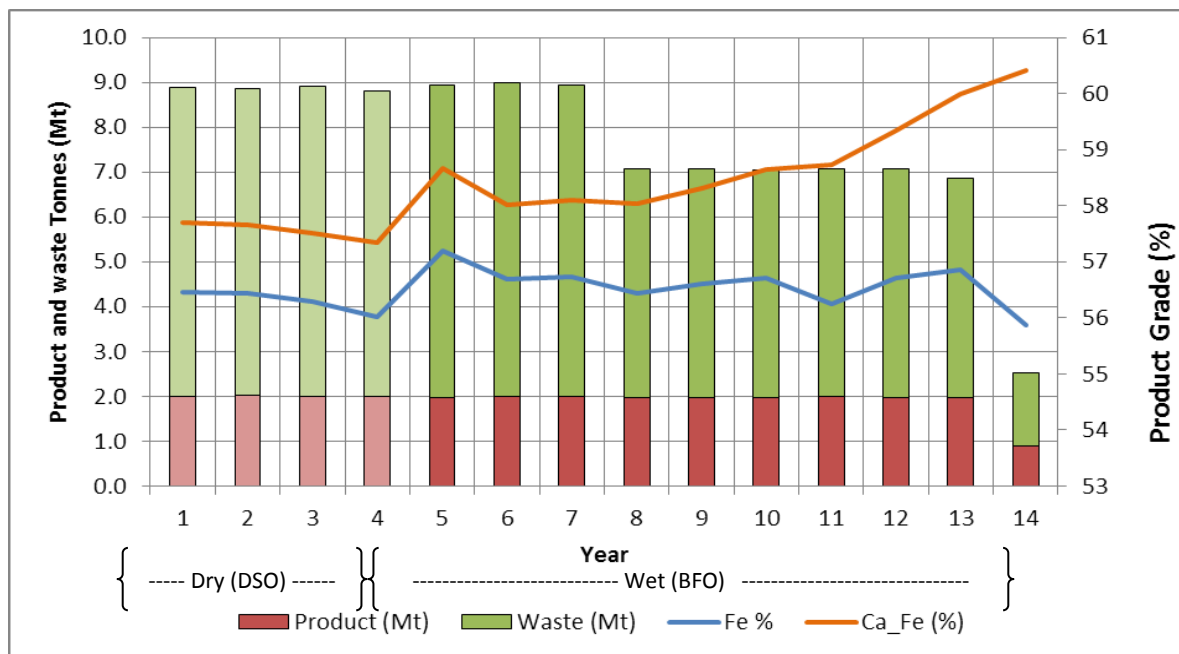
From the work completed in this Scoping Study, it is recommended that Winmar utilises:

- A dry Direct Shipping Ore (DSO) processing method at 2 Mtpa for the first 3 to 4 years; and
- A wet Beneficiated Fines Ore (BFO) process at 2 Mtpa for the remaining life of mine, producing a total of approximately 27Mt of product over 14 years of operation.

This course of action has the following advantages:

- Lower initial capital;
- Lower risk profile while developing the deposit - DSO screening is well understood compared to wet processing;
- Access to a larger number of contractors, both mining and processing, that can operate this sized operation, leading to more competitive contracting rates; and,
- Revenue from the DSO operation can fund the wet processing plant upgrade.

Figure 1: Life of Mine Production Schedule (2 Mtpa, dry (DSO) followed by wet (BFO) processing)



The production schedule based on a DSO/BFO operation demonstrates that a product grade of 57% Fe can be maintained with a minor increase in the cut-off grade. This would have the desired effect of Fe grade while lowering the Alumina and Silica grades to below 15%

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combined. A reduction in mine life of approximately 1 year may occur as a result of lifting the cut-off grade.

Winmar through its advisers have undertaken preliminary discussions with some Chinese steel mills in regards to the saleability of its HIP product. Feedback to date appears to confirm that the product is eminently saleable; attracting only slight penalties based on the comparable high combined Silica and Alumina content. The comparably low Phosphorous and Sulphur content of the product is viewed as a positive by the market.

These discussions also highlight that Chinese steel mills define the sizing of the HIP product as a "rough" fines. The size distribution (please refer to 25 Oct 2013 ASX announcement) of approximately 78% yield between 6.3 mm and 45 microns provides the steel mills with a standard product that is unlikely to incur any penalty at sale.

Based on the information presented in this Mine Gate Study, Winmar believes it can initiate Pre-Feasibility Studies after financial modelling and a more detailed marketing and infrastructure review. Winmar is planning a further metallurgical test work program using diamond core samples - some twinned with the RC holes - to confirm these processing parameters and for a possible upgrading of the Resource.

For further information, please contact:

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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.

Table 1: Mineral Resource (see announcement 22 May 2013)

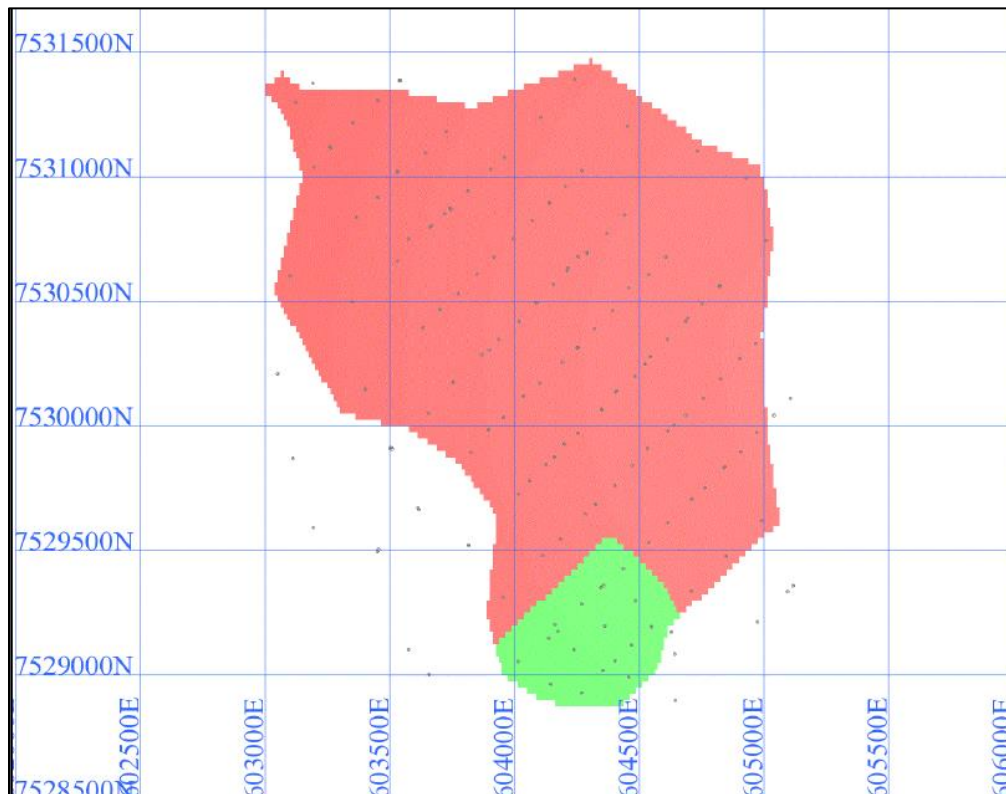
Mineralisation type	Resource Category	Mineral Resource (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)
CID*	Indicated (green)	42.6	55.2	10.9	5.5
	Inferred (red)	276.3	55.2	9.7	4.4
DID#	Inferred (red)	24.3	46.4	24.8	5.2

NB: Calcined Fe (CaFe) calculated by the formula $CaFe\% = [(Fe\%)/(100-LOI1000)]*100$

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

This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Figure 2: Mineral Resource Classification

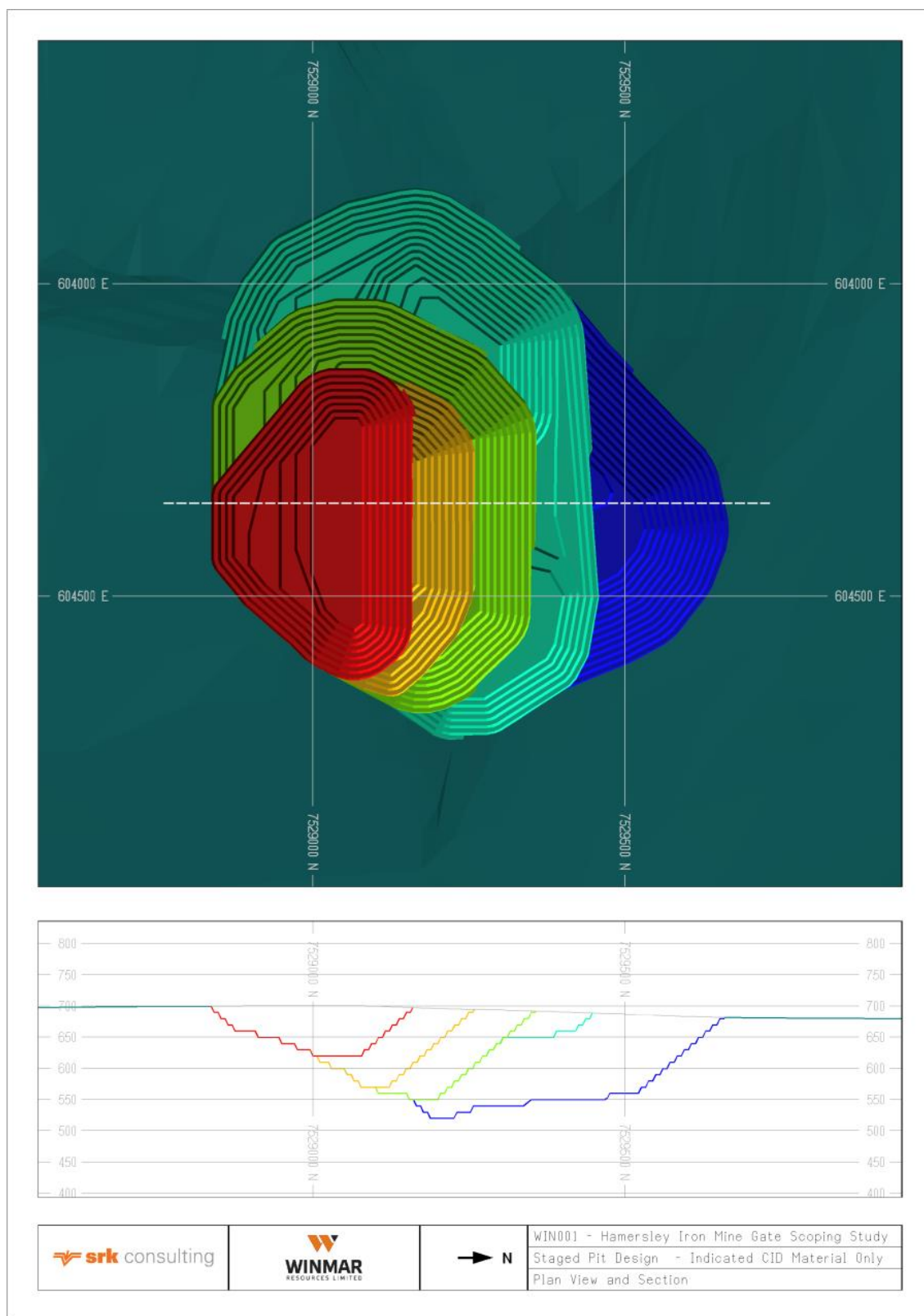


Note: Green = Indicated, Red = Inferred

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Figure 3: Pit Mining Sequence



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