

ASX ANNOUNCEMENT

29 July 2014

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

The completed Transport Infrastructure Scoping Study indicates that 3 economically viable options exist for transporting Iron Ore from a mining operation at the Hamersley Iron Project, based on the following parameters:

- Using a combination of existing and new road and rail infrastructure
- Focusing on the Project's Indicated Mineral Resource (42.6Mt at 55.2% Fe - see Table 1) only
- Based on Industry accepted forecast Iron Ore prices
- Based on a 2Mtpa to 4Mtpa mining operation over 10-15 years
- Providing encouraging Cash Flow and NPV at forecast iron ore prices

Background

In April 2014, upon reviewing the positive results from the Mine Gate scoping study (see announcement 11 March 2014), the Winmar Exploration Joint Venture (WEJV) Management Committee agreed to commence a Transport Infrastructure scoping study of the Hamersley Iron Project (the Project; HIP). The purpose of the Study was to prove the economic viability of transporting iron ore from the proposed mine site (M47/1450) to a port on the Pilbara coast, and to undertake financial analysis of the combined results of the Transport Infrastructure and Mine Gate scoping studies. As Manager of the WEJV, Winmar is now pleased to announce the results of the Transport Infrastructure scoping study performed by AECOM Australia Pty Ltd, a leading transport infrastructure company.

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Transport Study Results

The Transport scoping study examined in detail 4 of 20 distinct options available to transport ore from the Project to port. The 4 options selected for detailed analysis included a combination of existing and new road and rail infrastructure. Based on the destination port and the ability of WEJV to negotiate with 3rd party infrastructure owners, 3 options were identified as economically viable options for the optimal usage of the existing roads through to rail infrastructure.

Options Screening

The study identified the likely destination ports for the ore, and 3rd party players in potential supply chains. Following this, a high level exercise ascertained a series of potential corridors (both existing and new) which, in combination, would link the Project to the destination port(s). The screening exercise distinguished 20 distinct options linking the Project to 5 potential port destinations.

Design Process

The principle in identifying these options was to utilise the existing roads as far as possible and to reduce the overall expected Capex. The study included a site visit to confirm the potential to utilise these roads and whether they are acceptable for road haul traffic. The result of the site visit concluded that the capital works required for the preferred options are identified as follows:

- Exit from mine site requires new road of approximately 8.03km in length (applicable to all options)
- Upgrade to existing roads (varying levels of costs based upon expected road condition)
- Provision of a rail loading loop siding (applicable to a single option only)

Assumptions

This study represents the first step in a process of designing and constructing the necessary transport infrastructure to support the Project. As it is based on a series of key assumptions, changes to the studies assumptions is likely to alter the scenario(s) presented in the report.

The key assumptions relate to the availability of third party infrastructure to be included as part of the transport supply chain. Of the four options presented, only one option is independent of third party transport providers. As such, Winmar will continue to approach selected third parties to negotiate for a joint infrastructure solution.

Next Steps

To progress the level of confidence in the estimates for both Capex and Opex, the WEJV plan to undertake the following next steps:

- 1) Undertake a further site visit with a highways engineer to determine the condition and acceptability of the existing roads for haul road traffic and to refine the cost estimates.
- 2) Re-commence discussions with 3rd party infrastructure owners with regards to road and rail access.
- 3) Commence discussions with local shire road owners to determine the process for gaining access to the existing roads.
- 4) Undertake a preliminary hydrological and geotechnical assessment of the mine exit road.

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

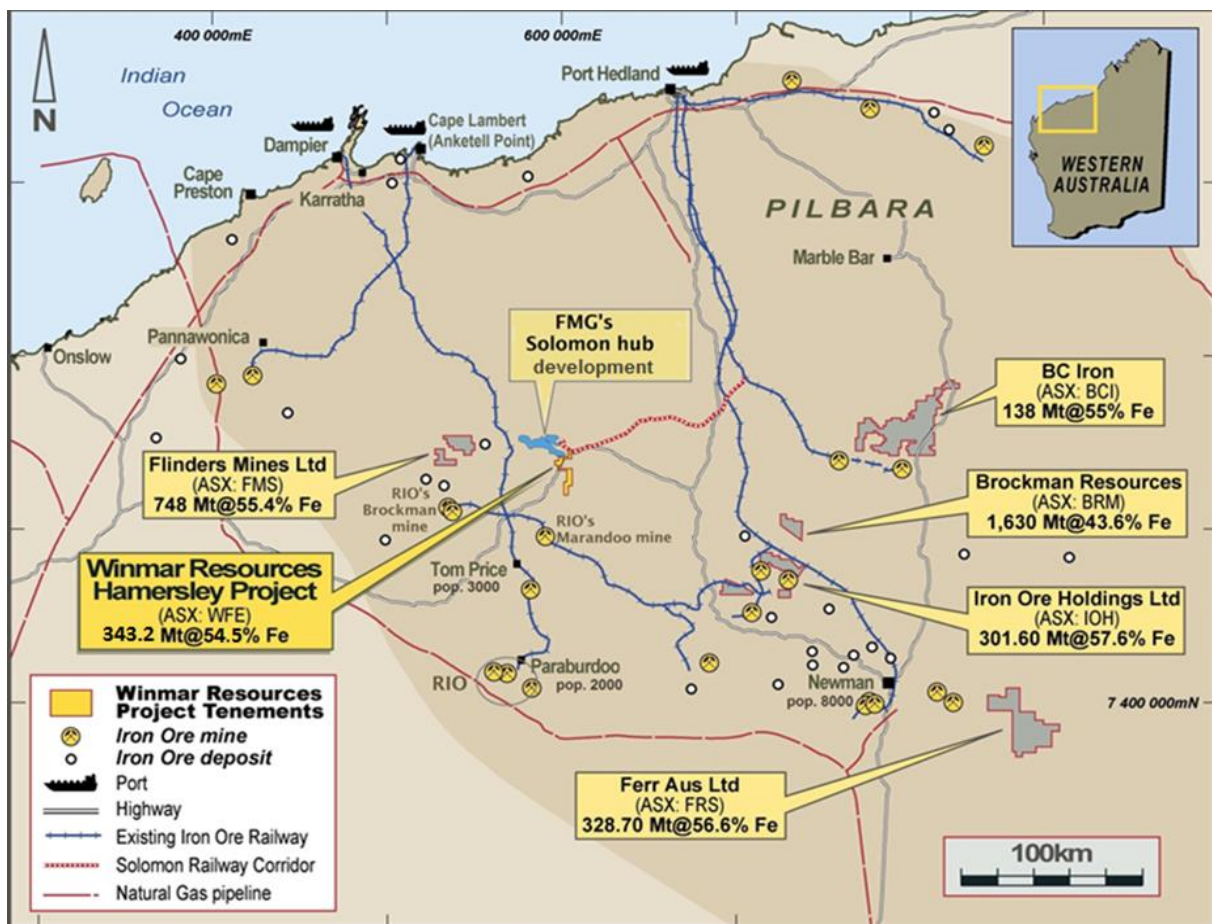
Mineralisation type	Resource Category	Mineral Resource (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)
CID*	Indicated (green)	42.6	55.2	10.9	5.5
	Inferred (red)	276.3	55.2	9.7	4.4
DID#	Inferred (red)	24.3	46.4	24.8	5.2

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 1: Location of Winmar's Hamersley Iron Ore Project



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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.

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