

ASX ANNOUNCEMENT

11 July 2011

Winmar Increase's Iron Ore Portfolio – New Pilbara Acquisitions

Winmar acquires interest in two new Iron Ore projects from Cazaly Resources Limited

Mt Stuart Tenement

- E47/2012 - 111.1sq km; E47/2027 - 63.52sq km; and, E47/2043 - 2.81sq km
- Quality exploration project with appealing geochemistry

Ethel Creek Tenement

- E46/0918 area 619.5sq km
- Very large tenement area surrounded by majors and underexplored

Winmar Resources Ltd (ASX:WFE, **Winmar**) is pleased to advise that the Company has entered into two agreements with Cazaly Iron Pty Ltd (**Cazaly**), wholly owned subsidiary of Cazaly Resources Limited (ASX:CAX), to acquire from Cazaly up to a 75% interest in two iron ore projects: Ethel Creek (E46/0918) and Mt Stuart (E47/2012 E47/2027, E47/2043).

The material terms of the agreements are:

- Mt Stuart
 - Winmar granted the right to earn an initial 51% interest in the tenements for an exercise price of \$1,000,000 and the issue of 1,500,000 fully paid ordinary shares in Winmar. The right must be exercised within 60 days;
 - Winmar to pay a \$50,000 non-refundable option fee;
 - Winmar may earn an additional 24% interest in the tenements by sole funding exploration on the tenements to a total of \$4,500,000 within 2 years;
 - Winmar must sole fund a minimum of \$1,500,000 exploration on the tenements within 2 years or it will be deemed to have forfeited its interest in the tenements;

- Cazaly to be free-carried through to completion of a Bankable Feasibility Study;
- Winmar to be responsible for managing and maintaining the tenements, and ensuring compliance with the Mining Act.
- Ethel Creek
 - Winmar granted the right to earn an initial 51% interest in the tenement for an exercise price of \$100,000 and the issue of 100,000 fully paid ordinary shares in Winmar. The right must be exercised within 60 days;
 - Winmar to pay a \$50,000 non-refundable option fee;
 - Winmar may earn an additional 24% interest in the tenement by sole funding exploration on the tenements to a total of \$500,000 within 2 years;
 - Winmar must sole fund a minimum of \$100,000 exploration on the tenement within 2 years or it will be deemed to have forfeited its interest in the tenements;
 - Cazaly to be free-carried through to completion of a Bankable Feasibility Study;
 - Winmar to be responsible for managing and maintaining the tenement, and ensuring compliance with the Mining Act.

The acquisitions have the potential to both ***increase Winmar's iron ore presence in the Pilbara*** and ***add diversity and scope*** to the company's growing portfolio.

Winmar plans to commence exploration on the tenements acquired as soon as practicable by engaging geophysical and geological surveys with the objective of designing targeted drilling programs to commence later in 2011.

Mt Stuart

The **Mt Stuart Project** is comprised of three Exploration Licences, E47/2012, E47/2027 and E47/2043. The group of tenements cover approximately 167 km² and are situated approximately 95km northwest of the Tom Price Township. Access to the Mt Stuart tenements is via the Mt Brockman Road.

The Mt Stuart Project is prospective for bedded iron deposits within the Marra Mamba Iron Formation and channel iron deposits. The western and eastern tenements contain outcropping

Marra Mamba Formation, with the Geological Survey of Western Australia (GSWA) having mapped enriched ore at surface on the western tenement.

The prospective strike length of Marra Mamba Iron Formation is approximately 9km. The central tenement is prospective for pisolitic material, with the presence of a pisolitic body identified in the north of the tenement.



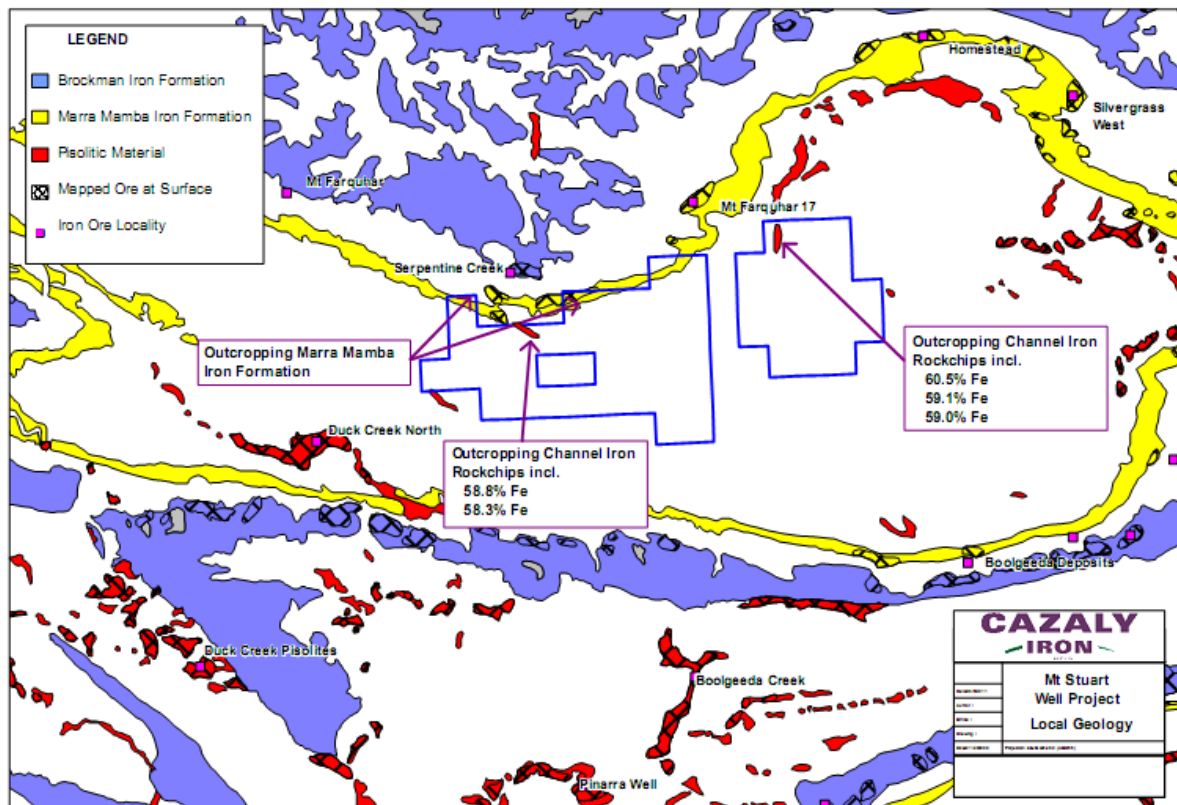
Outcropping CID Mesa at Mt Stuart, E47/2027

Field reconnaissance confirmed a 600m long outcropping channel iron deposit on E47/2027 with a best result of 60.5% Fe. Smaller pisolite mesa occurrences were also found on E47/2012. Low grade enrichment of Marra Mamba Iron Formation was also found in E47/2012, although drilling would be required to identify high grade mineralisation similar to Rio Tinto's Mt Farquar Deposit 17.

Table 5 – Significant Rock Chip Results from Mt Stuart

Prospect	Style	Sample	East	North	Lease	Fe %	Al ₂ O ₃ %	P %	SiO ₂ %	LOI %
Mt Stuart	CID	RG04124	503963	7530239	E47/2027	55.8	4.89	0.024	5.22	8.91
Mt Stuart	CID	RG04125	503915	7530062	E47/2027	60.5	2.06	0.029	2.99	7.72
Mt Stuart	CID	RG04126	503737	7530111	E47/2027	59.0	3.34	0.023	3.23	8.46
Mt Stuart	CID	RG04127	503682	7529959	E47/2027	59.1	2.09	0.026	3.23	9.47
Mt Stuart	CID	RG04128	503535	7529850	E47/2027	52.7	7.73	0.022	5.61	10.41
Mt Stuart	CID	RG04142	503496	7529744	E47/2027	52.8	9.67	0.031	4.26	6.24
Mt Stuart	BID	RG04131	498082	7528057	E47/2012	52.9	2.73	0.042	10.9	10.11
Mt Stuart	BID	RG04132	497998	7527921	E47/2012	52.5	5.30	0.155	7.21	11.32
Mt Stuart	CID	RG04133	488828	7523591	E47/2012	58.8	1.52	0.032	2.26	11.44
Mt Stuart	CID	RG04134	488951	7523505	E47/2012	58.3	2.34	0.027	2.78	10.71
Mt Stuart	CID	RG04135	489052	7523383	E47/2012	52.6	6.50	0.034	5.58	10.81
Mt Stuart	CID	RG04136	483496	7521078	E47/2012	54.2	5.60	0.033	6.61	9.46

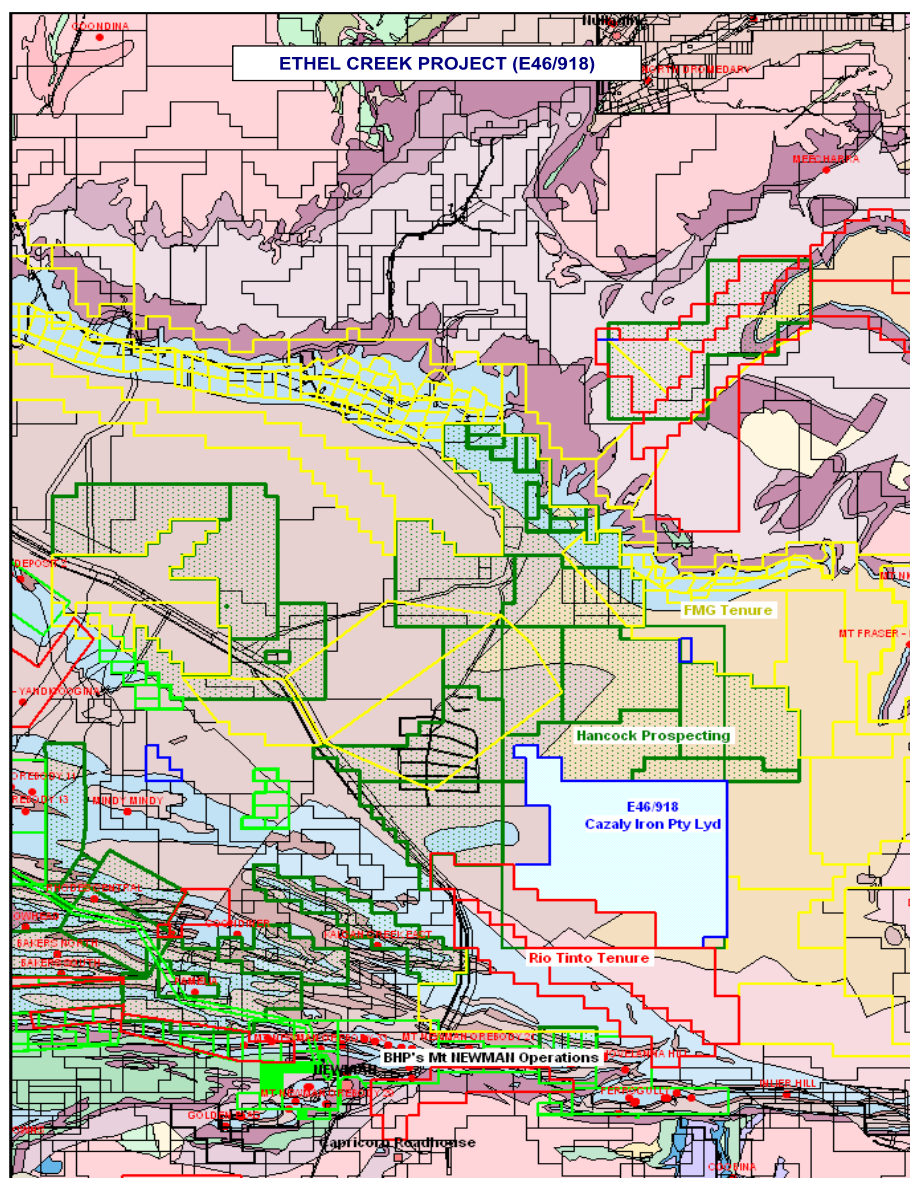
Mt Stuart Project



The Ethel Creek Project

Ethel Creek is comprised of one large Exploration Licence Application (E46/0918) and located approximately 50km north east of Newman. Conceptual work by Cazaly indicates the prospectivity for Channel Iron Deposits on the tenure at Ethel Creek trending north easterly away from the large mines existing at BHP's Mount Newman iron ore mine district. Furthermore, nearby road and railway infrastructure provides development advantages.

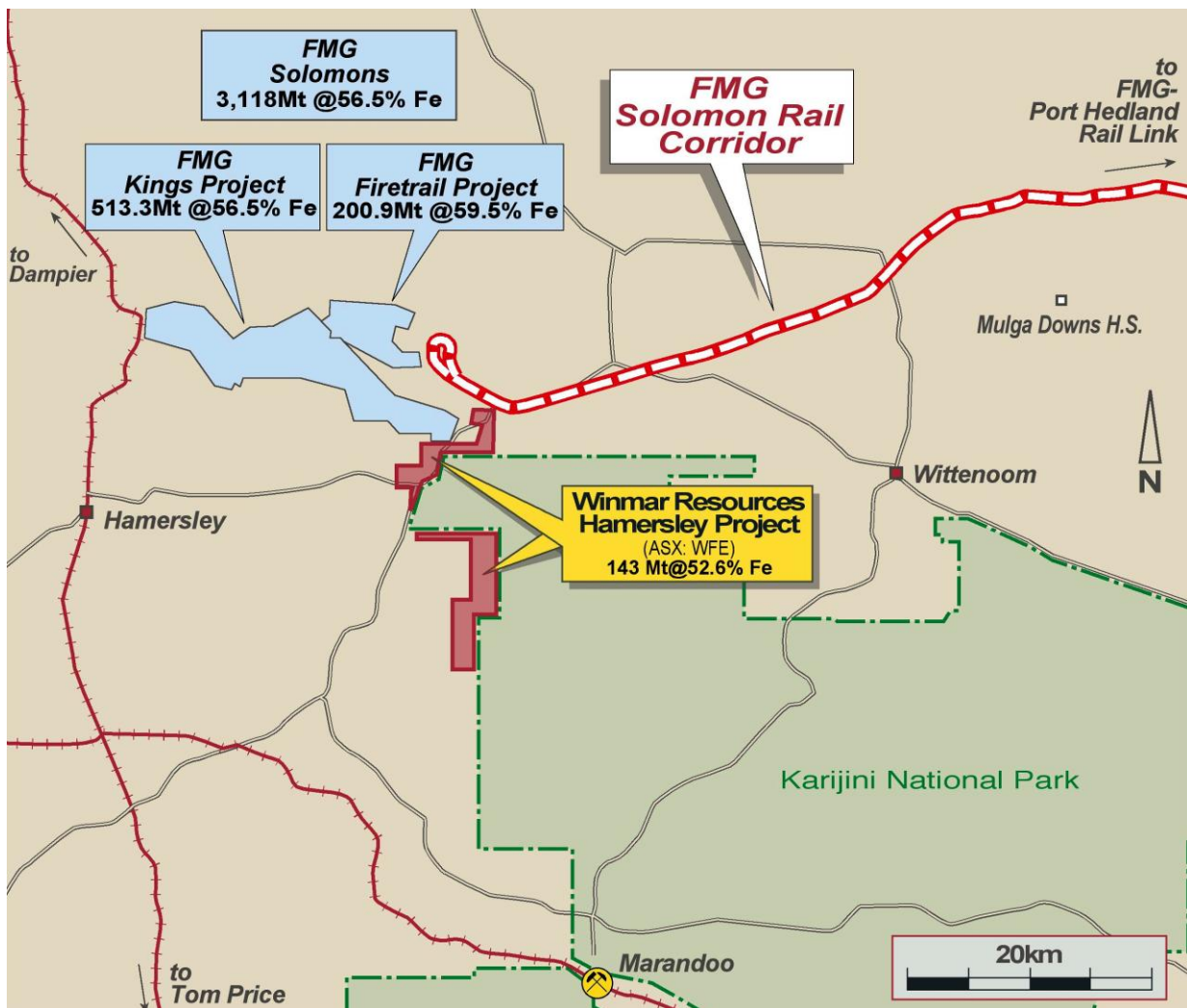
Access to the Project is gained via the unsealed Marble Bar Rd and then various other tracks throughout the tenement. The Project is large in nature and in its early days of exploration, it is conceptual in nature however it is surrounded by all the major iron ore producers in the region; BHP, Rio Tinto, Hancock Prospecting & FMG (see map below).



Winmar's Hamersley Deposit

Based upon the results to date, there is an exploration target for the Winmar Hamersley deposit of 250-300 Mt @ 52-55% Fe (55-59% CaFe) of channel iron ore deposit and additional direct shipping ore (DSO). Assays from the latest extension drilling continue to produce excellent results.

Mineralisation is now confirmed to stretch over the full 2.8km of the coincident gravity anomaly. An updated JORC resource is being prepared this quarter together with an Order of Magnitude Study. The project lies immediately south of Fortescue's Solomon Hub, where FMG has a Maiden reserve of 700 Mt.



For further information, please contact:

Mr Benjamin H. Cooper
Executive Director
Winmar Resources Limited
0425 3111 21
bcooper@winmarresources.com.au

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.