

ASX ANNOUNCEMENT

14 May 2012

Next phase of drilling commences at Hamersley Iron Project

Key points

- **Winmar has commenced its next phase of drilling at the Hamersley Iron project in the Pilbara region of WA.**
- **Drill program to comprise;**
 - **5000m RC drilling designed to deliver significant Resource upgrade, and**
 - **600m of diamond drilling to provide core for Metallurgical Test work.**
- **Drilling scheduled to be completed by end of June quarter.**
- **Metallurgical Test work program also underway.**
- **Native Title agreement continues to be negotiated with Eastern Guruma people.**

Winmar Resources Limited (ASX: WFE) (Winmar) is pleased to announce that it has commenced its next phase of drilling at the Hamersley Iron project (E47/1617), in the Pilbara region of Western Australia.

The Company has today commenced a 40 hole, 5000 metre RC drill program at the Winmar Deposit within the Hamersley project area. This phase of drilling is designed to deliver a significant Resource upgrade. The new Resource statement will be used to provide an updated scoping study and as input for potential mining plans.

Average depth of drilling will be 125 metres (with a maximum depth up to 150 metres). Initial drill spacings will be 250 metres x 200 metres in order to provide extended coverage. Follow up infill drilling will then be completed as required.

The Resource at the Hamersley project remains open in most directions with significant intercepts to the southwest and northeast on the edge of the current drill area. Some of these previous holes finished within mineralisation.

Winmar will also conduct a 600 metre diamond core drill program, due to commence in mid-June, to provide core samples for the next phase of the Company's metallurgical test work program.

The RC and diamond drill programs are due to be completed by the end of the quarter and results will be released as they become available.



The next phase of drilling underway at Winmar's Hamersley Iron Project

Metallurgical Test work program underway

The Company is also pleased to advise that it has commenced the next stage of its metallurgical test work program at the Hamersley project.

Preliminary beneficiation has commenced, and is designed to character test the different zones within the Channel Iron Deposit (CID) deposit, within the project, to determine how best to upgrade the material, plus also test the overlying detrital material to determine likely yields and grades.

Previous beneficiation testing has shown that both gravity and magnetic methods deliver an upgrade in the CID material (62% Calcined Fe) and Detrital material (58% Calcined Fe). These results provide significant encouragement that the Winmar deposit has the potential to produce a premium iron product.

The work will be carried out by leading mineral processing group, Nagrom, in Perth. Results from this program will be released as they become available.

Other activities

A Native Title agreement is being negotiated with the Eastern Guruma people. A second meeting was recently held in Karratha, in WA, and negotiations are continuing.

Winmar also advises that a Heritage and Exploration Agreement has been entered into with the Eastern Guruma people and recent Heritage Surveys are now complete.

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.

The Company is undertaking a \$2.2 million exploration and development program in 2012 at the Hamersley project (for the period through to the end of September). The works program is designed to expand the project's Resource base, advance the 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. **The project has a current JORC Inferred Resource of 241.6Mt @ 54.3% Fe** (which includes a main CID zone of 169.1Mt @ 55.6% Fe) **and an Exploration Target of 350-400Mt @ 54-56% Fe.**

ENDS

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Competent Persons:

The information in this document that relates to exploration targets, exploration results and drilling data of Winmar projects is based on information compiled by Mr David Jenkins, a full time employee of Terra Search Pty Ltd, geological consultants employed by Winmar Resources. Mr Jenkins has a BSc. Honors degree in geology and is a Member of the Australian Institute of Geoscientists. The information in this document that relates to the Winmar Deposit Resource Estimate is based on information compiled by Mr Craig Allison who is a Member of the AusIMM and a fulltime employee of Range Limited, an independent resource consultancy group. Both Mr Allison and Mr Jenkins 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'. Mr Allison 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.

Exploration Target:

The Exploration Target refers to the conceptual extended mineralisation of the Winmar Deposit and surrounding prospects including detrital, channel and bedded mineralisation, based on drilling to date; interpreted geological model and complementary geophysics. At the present time there is insufficient drilling to determine the extended mineralisation and estimate, and it is uncertain if further exploration will result in the determination of such mineralisation or estimate.