Waratah Gold Ltd

Quarterly Activities Report for the period ended 30th June 2009

Highlights

1. **Waratah announces acquisition of near term and profitable gold production opportunity.**

2. **Appointment of consultants to undertake the scoping study on the Mick Adam and Wadi heap leach project.**

3. **Scoping study progressing according to plan and expected to be finalised in the near future.**

4. **Analysis and review of potential near term mine development opportunities in Australia and overseas**

Waratah Gold Ltd (ASX: WGO) (Waratah) is a specialist gold exploration and development company which seeks to build shareholder wealth through the efficient development of its gold projects.

In April 2009 Waratah announced the signing of a letter of intent for a farm-in and joint venture with Cazaly Resources (ASX:CAZ)(Cazaly) to develop the Mick Adam and Wadi Gold deposits in WA's goldfields region.

Waratah's strategy is to focus on developing the Mick Adam and Wadi projects along with carefully assessing the acquisition of other complementary advanced gold projects either in Australia or overseas. Waratah has undertaken desk top reviews and analysis on numerous gold projects and will only complete detailed due diligence on projects which satisfy the Boards project selection criteria.

Waratah also holds a number of gold projects in the Lachlan Fold Belt of New South Wales (NSW). These projects have produced in excess of 570,000 oz of gold and in the opinion of Waratah are underexplored. In the current economic climate Waratah continues to assess the potential of these projects and prioritise any work to be undertaken and will only sensibly and efficiently explore areas which have the best potential of defining a gold resource.

Waratah maintains an excellent capital structure with only 22,500,100 shares on issue and at the end of the June quarter the company had cash reserves of $2,869,000.

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Mick Adam and Wadi Farm-In and JV

During the quarter Waratah announced it had signed a letter of intent for a farm-in and joint venture agreement with Cazaly to develop the Mick Adam and Wadi Gold Deposits in Western Australia's Goldfields region. The total resource in the project area is 226,000 oz of gold.

Waratah and Cazaly are currently formalising the farm-in and joint venture agreement.

Waratah's main objective of entering into the agreement is to capitalise on the projects short term development potential at a time of historically high gold prices. Waratah believes the project represents an excellent opportunity for near term revenues for the company and is working as fast as prudently possible to put Mick Adam and Wadi into production.

Previous engineering and metallurgical studies, undertaken on the project area, have indicated the deposits are amenable to heap leaching with favorable recoveries. Waratah considers that heap leaching offers many advantages over traditional processing for this project and this should lead to a relatively low capital expenditure requirement and low operating costs.

Waratah has appointed Mineral Engineering and Technical Services Pty Ltd (METS) in association with Snowden to undertake a detailed scoping study on the Mick Adam and Wadi Heap Leach project.

METS have a significant knowledge and experience in the area of heap leach process design and economic analysis. Snowden are an extremely well regarded group with a reputation for detailed mining engineering solutions.

The scoping study will include; a mining plan for life of mine (LOM), a review and reinterpretation of previous testwork, a LOM processing plan, a plant design to scoping study level, a capital expenditure and operating expenditure estimate along with relevant sensitivities and an economic analysis of the project. The scoping study will also address significant business drivers and risks.

The scoping study for the project is proceeding to plan and will be finalised in the very near future. The key results from the scoping study will be released to the market as soon as they become available.

Work on site during the quarter included investigations into site layout, project logistics and process water supply.

Figure 1: Trial Pit Mick Adam

Once the scoping study is complete Waratah will lodge a Mining Proposal with the relevant authorities. A detailed review and analysis of the scoping study will allow Waratah to determine the most appropriate path to development. Waratah is committed to proceed as fast as prudently possible to capitalise on the high price of gold and the opportunities at Mick Adam and Wadi.

NSW Projects

The five projects wholly controlled by Waratah have produced in excess of 570,000 oz of gold. Waratah believes that large areas of NSW remain relatively underexplored and therefore present an excellent exploration opportunity. Recent exploration activity in NSW, while minor compared to other Australian States has resulted in significant exploration success. Waratah continues to assess and prioritise its focus with respect to its NSW projects.

Stuart Town EL 6575 (100% Waratah)

The Stuart Town project is located in the central west of NSW, 65km north of the major provincial town of Orange. There are a number of lode gold deposits in the project area which include historic mines and numerous alluvial gold workings. Approximately 170,000 oz of gold has been historically produced from this area from the date records were taken although significantly more gold may have been produced prior to this.

As previously reported Waratah has undertaken a review of the project area to examine the potential for intrusion related gold deposits (IRGD) within the Stuart Town field, which has mainly been classified as an orogenic gold district.

Based on the review it was confirmed that an IRGD exploration model can be applied to the Stuart Town field. Waratah is investigating the potential for a limited drilling program to test the exploration model at Stuart Town.

Corporate

As at 30th June 2009 Waratah has a cash balance of $2,869,000 and maintains and excellent capital structure with 22,500,100 shares on issue.

Waratah continues to seek out and assess the potential for the acquisition of complementary advanced gold projects with near term production capability. Waratah has assessed many such opportunities during the quarter and will continue to undertake due diligence only on those projects which meet the Boards selection criteria.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr J Downes, B.Sc (Geol), MAIG a director of Waratah Gold Limited. Mr Downes has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Downes consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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