ABN: 47 125 688 940

# Waratah Gold Ltd

***Quarterly Activities Report for the period ended 31st March 2010***

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## Highlights

1. **Drilling program completed to test Intrusion Related Gold Deposit (IRGD) exploration model at Stuart Town. Assays from the drill program are pending.**

2. **Majors South exploration program being developed to assess hard rock gold potential**

3. **Active analysis and review of potential resource development opportunities in Australia and overseas**

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Waratah Gold Ltd (ASX: WGO) (Waratah) is a specialist exploration and development company which seeks to build shareholder wealth through the efficient development of its gold projects as well as sourcing additional  resource opportunities in Australia and internationally.

As announced in February 2010 Waratah commenced drilling at its 100% owned Stuart Town Gold project in the Lachlan Fold Belt of New South Wales. The drilling was competed in March and samples have been lodged with ALS in Orange NSW. Results from the assays are pending. The aim of the drilling is to test the Intrusion Related Gold Deposit (IRDG) model at Stuart Town.

Following on from the scoping study into the Mick Adam and Wadi gold project Waratah undertook a detailed review and optimisation of the economic potential for development of the project. As a result of this detailed review the Waratah board decided not to proceed into development as a commercially acceptable return could not be realised. The joint venture with Cazaly Resources Ltd (ASX:CAZ) was terminated as a consequence of the review and analysis.

An exploration program is being developed on the Majors South gold project in NSW to identify the hard rock targets in this prospective gold region. The Majors South project is located 5km's to the south of the Major Creek gold project held by Cortona Resources Ltd (ASX:CRC) which have recently announced bonanza grades of up to 97g/t Au.

Waratah is also actively assessing the acquisition of other complementary resource projects either in Australia or overseas.  Waratah continues to undertake reviews and analysis on a number of projects.

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**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. The area is easily reached by road and is serviced by the main western railway. There is a well maintained network of shire and farm roads throughout the project area.

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. The gold deposits around Stuart Town occur in quartz reefs, and in deep leads as sand and quartz pebble layers beneath basalt flows, or as river bed alluvial deposits (close to quartz reefs).

Gold mineralisation mined to date is hosted in structurally controlled lode-style veins or as alluvial concentrations. Lode gold is often associated with laminated quartz veins and has also been documented associated with stockworks of small quartz veins. Gold mineralisation is associated with a pyrite and minor arsenopyrite, galena, chalcopyrite, and sphalerite sulphide assemblages. Individual veins range in width from 0.1-1.2m with some strike extents for individual veins exceeding several hundred metres. Historical production often documented production head grades of sorted ore at 2-3 ounces per ton. Underground mining has not been documented below 65m depth.

Gold mineralisation occurs intermittently along approximately 6km of the Western Shear and 2km of the Eastern Shear, in relatively narrow quartz veins.

The project overlies an interpreted intrusive unit that has been modelled previously by Kratos Uranium whilst in JV with Freeport (1984). Carpentaria Exploration Company Pty Ltd (owned by MIM Limited) described the deep-seated intrusion related gold hypothesis in 1985. This theory postulates a felsic intrusive body at depth being the source of gold mineralisation at Stuart Town. This is based on ground magnetic and gravity surveys, airborne magnetic and radiometric data in conjunction with Au-As-base metal assays from soil sampling and geological mapping. Only limited drilling has been conducted to date.

The underlying interpreted intrusive has estimated dimensions of 1,200 metres across, has a vertical extent of 1,700 metres and comes to within 200 metres of the surface. Altered, brecciated and mineralised rhyolites occur to the north east of the interpreted intrusion at Quartz Hill and Specimen Hill.

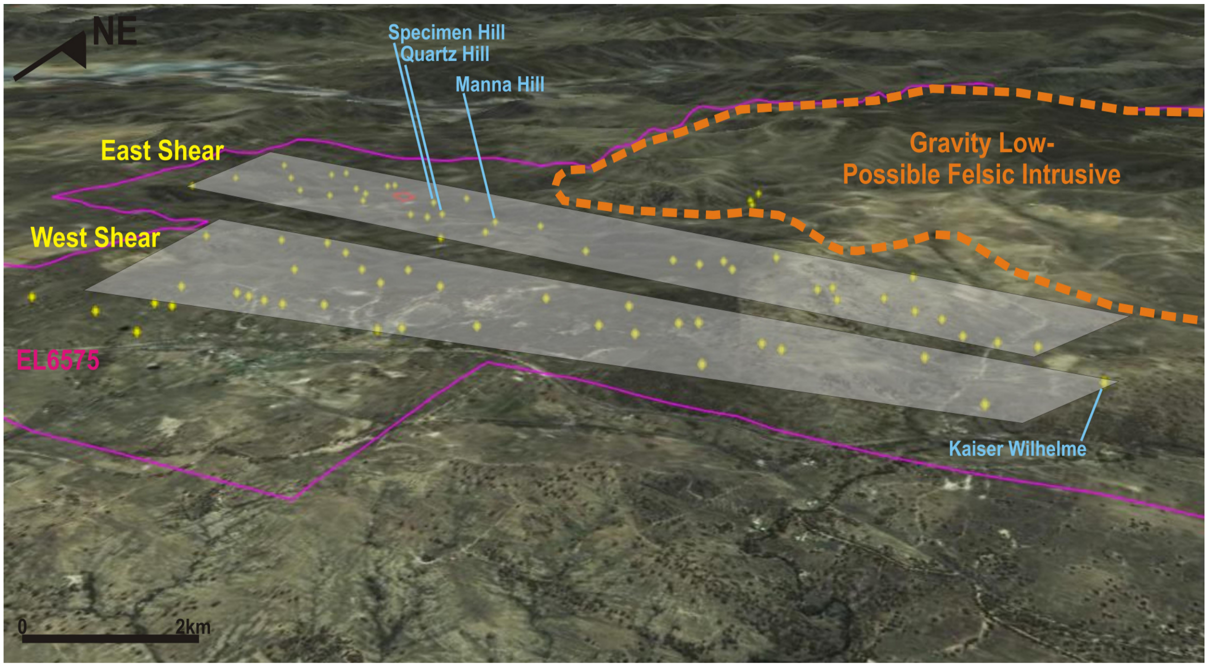


Figure 1: Stuart Town Gold Project - Aerial view looking NE

Waratah believes the project is prospective for large scale intrusion related gold deposit (IRGD) systems and is encouraged by the following points:-

- Significant historical production (>170,000 oz Au) sourced from a range of relatively small lode and alluvial gold sources. No apparent source or pathway identified for gold mineralisation
- Nindethana/Ilgingerry thrust fault zones providing favourable pathways for interpreted gold bearing intrusive felsic body
- Coincident magnetic and gravity anomalies interpreted to be a large, relatively shallow intrusive felsic unit
- Mineralised brecciated rhyolites observed at Quartz Hill may represent minor eruptions of an underlying mineralised intrusive unit and accompanying high levels of arsenic
- Project lies within a west-north-west transverse zone
- Coincident potassium radiometric signature
- No effective testing to date of the deep-seated intrusive model

A detailed review of the IRGD model in 2009 undertaken by Burrell Exploration Services Pty Ltd confirmed that the model could be applied to the Stuart Town field and as such Waratah commenced a drill program in February 2010 to drill test the exploration model. The program was completed in March 2010 and samples were lodged with ALS in Orange, NSW. Results from the assays are pending.

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**Majors South EL 6793 (100% Waratah)**

Majors South comprises a single exploration license which covers an area of approximately 267km². The project is located 65km south east of Canberra and 5km south of the Majors Creek gold project held by Cortona Resources Ltd (ASX:CRC) which has recently announced bonanza gold grades of up to 97g/t Au at Dargues Reef (www.cortonaresources.com.au).

Historical mining focused on alluvial gold deposits of the Araluen/Upper Shoalhaven gold fields. Records show that production from these goldfields between 1858 and 1920 was in excess of 1.2 million oz of gold, although some of this production was probably outside of the current tenure.

Waratah's focus is centred on potential hard rock (primary, fresh rock source such as reefs) targets as opposed to the alluvial targets.

A detailed review of exploration data has been undertaken and a cost effective exploration program is being developed for this prospective area.

**Corporate**

Rob Orr was appointed Company Secretary and Chief Financial Officer of Waratah in February 2010 and David Round resigned as Company Secretary and Chief Financial Officer. Mr Round remains a non executive director of the company.

As at 31st March 2010 Waratah has a cash balance of $2,235,000 and has 22,500,100 shares on issue.

Waratah continues to actively seek out and assess the potential for the acquisition of complementary resource projects in Australia and overseas. Waratah has assessed many 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.*

**For further information:**

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