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The Manager
Company Announcements Office
Australian Securities Exchange Ltd.

Waratah to Acquire Iron Ore Project in World-Class Emerging Province.

Highlights

- **Signing of an agreement that allows for the acquisition of a project in an emerging iron ore province in the Republic of Congo with potential for large scale iron ore mineralisation**
- **Favourable geological province with large scale hematite DSO and magnetite potential**
- **A relationship with RRL Grindrod a South African railway services company with an office in country**
- **Stable and encouraging investment environment with supportive pro-mining government**
- **Project area hosts numerous large scale iron ore projects including the Sundance Resources' Nabeba deposit, Core Mining's Avima Iron ore project and Equatorial Resources' Badondo iron project. Xstrata and Cape Lambert also have large scale projects in the country**

Waratah Gold Limited (ASX:WGO) (Waratah) is pleased to announce the signing of an agreement to purchase 90% of Afriresources Congo S.A., which holds 100% of the Youkou Iron Ore Project (Youkou). Youkou is located in an emerging iron ore province in the Republic of Congo (ROC) in Central West Africa.

Youkou is located on the Invindo Massif in the north west of ROC which is host to a number of large scale iron ore projects. Projects in the area include Sundance Resources' Limited (ASX:SDL) (Sundance) Nabeba iron ore deposit; Core Mining's (Core) Avima iron ore project and Equatorial Resources' Limited (ASX:EQX) (Equatorial) Badondo Iron Project. The CEMEC owned Belinga project in Gabon is also only 135 km from Youkou. Other major companies operating in the ROC include Xstrata (Zanaga Iron Ore project) and Cape Lambert Resources Limited/DMC (Mayoko Iron Ore project).

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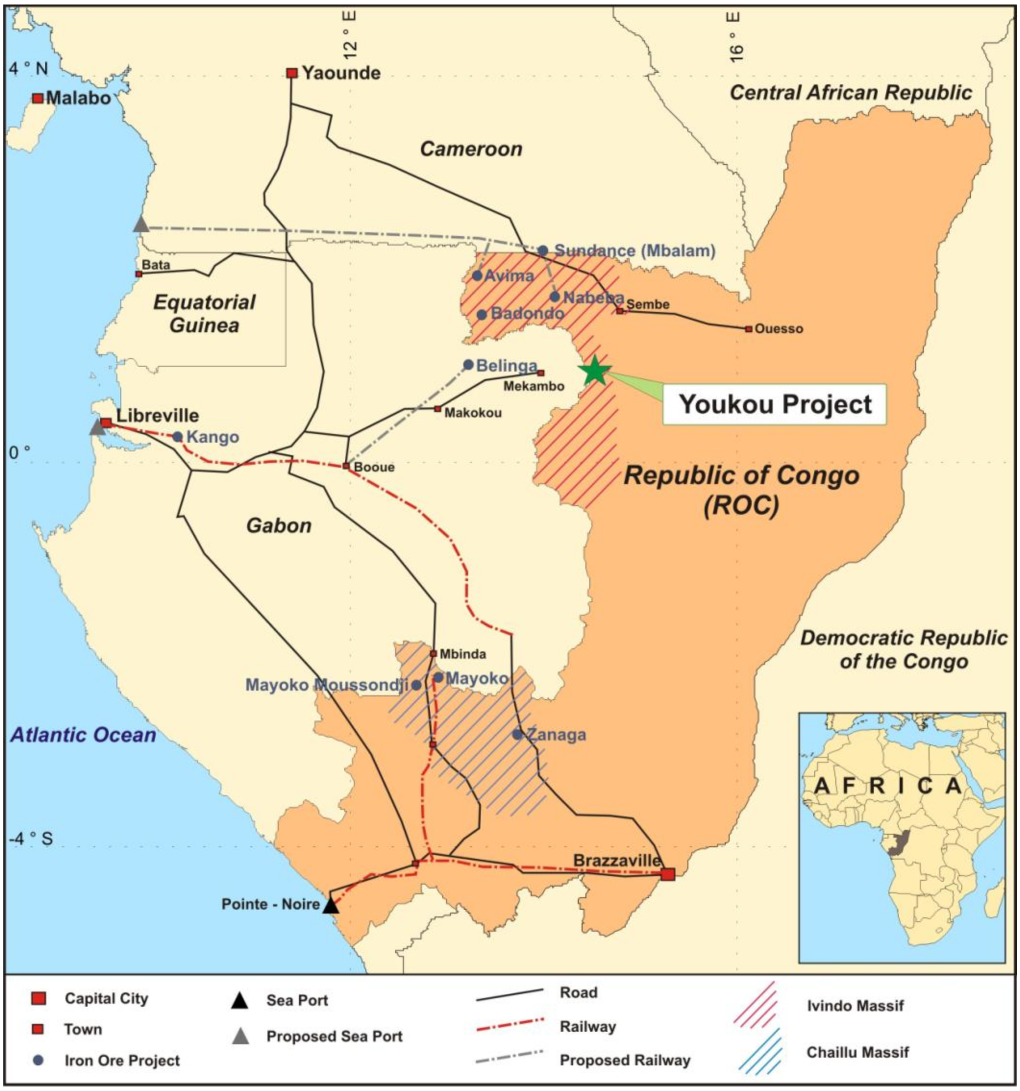

Figure 1: Project Location

Geological Summary

Youkou is hosted within the Haut Ivindo Massif, the northern equivalent of the granitic Chaillu Massif to the south. Limited recent exploration has been undertaken at Youkou however, based on information compiled by the Geological Survey of South Africa, Waratah is of the opinion that Youkou is prospective for hematite and magnetite rich itabirite iron ore mineralisation.

A historic outcrop of iron ore workings occurs in the license area with recorded hematite and itabirite. An assay grading 69% Fe, 0.08% P_2O_5 and 0.5% SiO_2 has been returned from a specimen between the years of 1936 and 1939.

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A metallogenic map of the project area indicates an iron quartz schist of approximately 20km in strike length. The local geology compares favourably with other nearby projects.

Most projects in West and Central Africa have potential DSO iron ore mineralisation which occurs as a capping derived from supergene enrichment of the underlying upright itabirite protore lithologies. Magnetite rich bands have typical thicknesses of up to 200 metres in the ROC.

The iron quartzite ridge trends in a north north west to south-east striking package of rocks represented by phyllites, quartzites, itabirites, micaceous- quartz schists and magnetite amphibole schists. The Youkou ridge is interpreted to be an antiformal structure plunging southwards.

On completion of technical and legal due diligence, Waratah proposes to prepare an exploration programme based upon a desktop review of any previous data held by Bureau De Recherches Geologique et Minieres "BRGM" in France, the geological survey of South Africa and any other historical reports.

The Republic of the Congo

The Republic of Congo (ROC) is also sometimes referred to as Congo Brazzaville to distinguish it from its neighbour to the east, the Democratic Republic of Congo (DRC). The ROC is a unitary republic and the current government has been in power since 1997.

The ROC enjoys relative political and social stability and has a government which is supportive of mineral development and foreign investment. A number of Australian and other foreign mining and oil companies operate in the ROC.

Infrastructure

Waratah proposes to partner with Solethu Investments (Solethu) as Solethu has played an important role in securing the project for Waratah. Solethu has a Joint Venture with Grindrod Limited in RRL Grindrod developing rail infrastructure on the African Continent. Grindrod Limited is a dynamic organisation with more than 100 years experience in South Africa's freight movement and related industries, providing a world class freight logistics and shipping offering to its clients. Grindrod Limited is listed on the South African Stock Exchange. RRL Grindrod has the capability of manufacturing and leasing of rolling stock, locomotive operations and building railway lines through a partnership with RACEC Limited. Together with Grindrod Limited, RRL Grindrod has the ability to provide a total logistics solution from pit to port for its customers.

RRL Grindrod and Solethu has a long standing relationship with the state railways of the Republic of Congo, the Chemin de Fer Congo-Ocean (CFCO) and are involved in several locomotive initiatives to develop the rail infrastructure of the Republic of Congo. RRL Grindrod has been invited by the Mining ministry to develop the appropriate rail infrastructure to unlock the resources within the country. During the Due Diligence period Waratah will consider

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entering into a memorandum of understanding with Solethu and RRL Grindrod to develop the appropriate rail infrastructure for the project in conjunction with its exploration activities.

Commercial Terms

Waratah has agreed to the following consideration to the vendors and consultants in relation to the Youkou acquisition, subject to completion of a 30 day technical and legal due diligence period and subject to the normal shareholder and regulatory approvals

- At settlement Waratah will pay US$1.7m and issue 5,500,000 fully paid shares.
- On the delineation of a 50,000,000 tonne JORC inferred iron ore resource Waratah will issue 4,000,000 fully paid shares.
- On the delineation of a 100,000,000 tonne JORC inferred iron ore resource Waratah will issue 1,000,000 fully paid shares and make a payment of US$200,000.
- On delineation of a 150,000,000 tonne JORC inferred iron ore resource Waratah will issue 9,000,000 fully paid shares.
- A US$3 per tonne royalty on iron ore shipped is also payable.

Full and further details will be provided to shareholders in a notice of meeting to be sent to shareholders in the near future.

Capital Raising

Waratah has an indicative commitment from sophisticated investors to raise AU$1,700,000 at 15 cents to assist with the acquisition of the project. The capital raising will be subject to shareholder approval.

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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.

About Waratah Gold Ltd

Waratah Gold Ltd (ASX:WGO) is an Australian based exploration and development company which seeks to build shareholder wealth through the efficient development of its projects and seeks to actively expand the projects controlled by the Company with the identification of resource development opportunities in Australia and overseas.

The Company's Directors and Management possess a strong technical background in the mineral exploration and mining industry as well as extensive commercial and corporate skills.

Waratah Gold Ltd listed on the ASX on 17th July 2008 and has **22,500,100** shares on issue.

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