

Waratah Resources Limited

Quarterly Activities Report for the period ended 31th March 2011 and subsequent events

Highlights

- Waratah advised that a comprehensive airborne magnetic and radiometric survey was completed over the Company's Youkou Iron Project located in the north of the Republic of Congo ("ROC")
 - Waratah has confirmed the potential for substantial Direct Shipping Ore (DSO) haematite iron mineralisation at Waratah's 90% owned Youkou Iron Project in the Republic of Congo (ROC)
 - Rock samples returned consistent zones assaying above 60% Fe (Iron)
 - Initial Target of 1-2 Billion tonnes of DSO haematite grading between 60% and 62% Fe (Iron)
 - Mr Michael Charles (Mike) Young was appointed to the Board of Waratah as a non-Executive Director
 - Subsequent to the quarter, Waratah obtained Shareholder approval for the issued capital of the Company to be divided on the basis that 1 Share be divided into 4 Shares and 1 Option be divided into 4 Options. The effect of the Share Split will be to increase the Share Capital and Options on issue of the Company by a factor of 4
 - Subsequent to the quarter, Waratah placed 4,800,000 million shares under its 15% placement capacity (ASX listing rule 7.1) to institutional and sophisticated investors, raising ~A\$5.76 million (before costs)
 - Subsequent to the quarter, Shareholders approved a special resolution to change the company's name from Waratah Gold Limited to Waratah Resources Limited
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Director appointment

The Board of Waratah welcomed Mr Michael Charles (Mike) Young to the Board of Waratah as a non-Executive Director. Mr Young is currently the Managing Director of BC Iron Limited (BCI) and has been since it listed on the Australian Securities Exchange in 2006. Mr Young, together with his Board and management team successfully steered BCI through the definition of the first resources, managed the feasibility study and negotiated the joint venture and rail access agreements with Fortescue Metals Group Limited. BCI placed its first ore on rail on 31 January 2011.

Mr Young is a geologist and a graduate of Queens University, Canada with a Bachelor of Science (Honours) degree in Geological Sciences. Experience to date includes base metals, iron ore, uranium and gold. He has worked for Dominion Mining Limited, Mining and Resource Technology which became part of Golder Associates. Experience at Golder Associates includes Century Zinc, Escondida Copper in Chile and Koolyanobbing iron mine at Southern Cross. Mr Young was also a founding director of Bannerman Resources Limited. Mr Young's experience has a strong focus on exploration, resource definition and development. He is a member of the Australian Institute of Geoscientists, the Australasian Institute of Mining and Metallurgy and a member of the Society of Economic Geologists.

Mike brings valuable iron ore exploration and development experience to Waratah and his appointment is an important part of the evolution of Waratah towards becoming a large scale iron ore producer.

Division of Capital approved at General Meeting

Subsequent to the quarter, Waratah obtained Shareholder approval for the issued capital of the Company to be divided on the basis that 1 Share be divided into 4 Shares and 1 Option be divided into 4 Options. The effect of the Division of Capital will be to increase the Share Capital and Options on issue of the Company by a factor of 4. It is expected that the result of the division of capital will be to increase liquidity of the Companies shares.

\$A5.76M Placement

Subsequent to the quarter, Waratah placed 4,800,000 million shares under its 15% placement capacity to institutional and sophisticated investors, raising ~A\$5.76 million (before costs). The issue price of the placement was \$1.20 per share, with one free attaching option for each four shares issued with an exercise price of \$1.60 with an expiry date of 20 September 2012.

Change of company name to "Waratah Resources Limited"

Shareholders on 14 April 2011 approved a special resolution to change the company's name from Waratah Gold Limited to Waratah Resources Limited after approval by ASIC the name has now been formally adopted.

The Company's ASX code remains as WGO (currently WGODA as a result of share split).

AEROMAGNETIC SURVEY AND FIELD MAPPING AT YOKOU IRON PROJECT IDENTIFIES LARGE DSO HAEMATITE TARGET

Waratah has confirmed the potential for substantial Direct Shipping Ore (DSO) haematite iron mineralisation at Waratah's 90% owned Youkou Iron Project in the Republic of Congo (ROC).

- February Field programme successfully completed
- Rock samples returned consistent zones assaying above 60% Fe (Iron)
- Initial Target of **1-2 Billion tonnes** of DSO haematite grading between **60% and 62% Fe (Iron)**
- Aeromagnetic survey identified other prospects outside target resource areas
- Drilling programme prioritised

Field Mapping

Waratah employees and contractors have completed a field mapping programme to evaluate the Youkou Iron Ore project.



Figure 1: High grade sample of iron mineralisation grading ~60% Fe collected from Youkou

Substantial quantities of high-grade haematite have been identified at the Youkou prospect confirming historical reports on the project. Rock samples have been collected and are currently being assayed in Johannesburg, South Africa. A portable XRF device was taken to the field which was able to confirm high-grade iron mineralisation over significant distances-examples shown in Table 1. Historic reports stated:

The Youkou deposit is located 9 miles north-east of the village Edjiandja in Kelle district, this field was formerly operated by Indigenous miners but abandoned mines are now covered by vegetation. In addition to the portion formerly exploited, one can follow the red haematite for about 1 km along the crest of the itabirite cliff. (N. CHOCHINE 1950)

An estimate of an initial target of 1-2 Billion tonnes of DSO haematite grading between 60% and 62% iron based on the observed and/or expected strike, width and depth of mapped high

grade iron mineralisation. An estimate of grade was made on the basis of numerous XRF readings taken in the area. The target mineral inventory tonnage and grade is conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

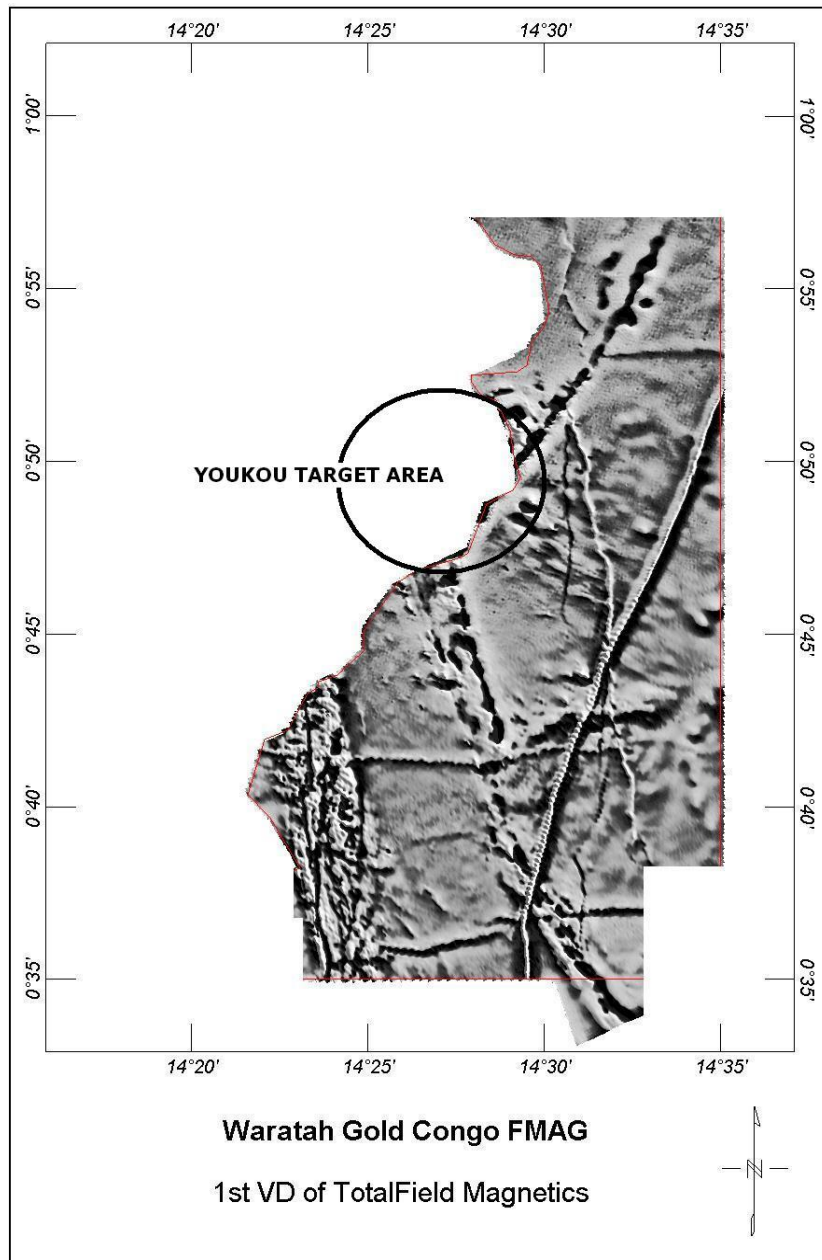


Figure 2: Waratah geologists and contractors showing iron samples to the local region Chiefs

The large high grade haematite exploration target supports Waratah's strategy for a rapid drilling and resource estimation programme in 2011 with the aim to delineate a substantial DSO haematite JORC compliant resource estimate.

Airborne Geophysical Survey

Waratah contracted Fugro Airborne Surveys to fly an aeromagnetic and radiometric survey over its entire Exploration Licence at Youkou. The survey flown at 200 metre spacing and at a height of 80 metres. Some of the more prospective areas were in-filled to 100 metre spacing. The survey has been completed and preliminary data has been delivered – Figure 3.



The magnetic data confirmed the Youkou project site, where historical exploration by French geologists in 1936 discovered a haematite-rich area. The new geophysical data outlines the regional scale structures that seem to control the haematite rich area. Waratah is confident that a significant haematite target has been outlined. The iron appears predominately in a haematite form rather than magnetite as reported at some other Congo projects. Located 20 kms north-east of the Oloba village, this field was formerly operated by Indigenous miners who smelted the iron for local use. The abandoned mines are now covered by vegetation but were rediscovered by the Waratah field crew.

The aeromagnetic survey has also identified two linear north-northwest trending target zones that will be evaluated in future field expeditions.

Figure 3: Total Magnetic Intensity Image over Youkou Project Area (Note – Some area of data has been omitted for Commercial reasons)

About Waratah

Waratah has purchased 90% of Afriresources Congo S.A., which holds 100% of the Youkou Iron Ore Project (Youkou) which is located in an emerging iron ore province in the ROC in Central West Africa – Figure 4.

Youkou is located on the Ivindo Massif in the north west of Republic of Congo 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 African Iron/DMC (Mayoko Iron Ore project).



Figure 1: Project Location

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 is actively encouraged. A number of Australian and other foreign mining and oil companies have been successfully operating in the ROC for many years.

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 freight logistics and shipping service to its customers. Grindrod Limited is listed on the South African Stock Exchange.

RRL Grindrod has the capability of manufacturing and leasing 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 ROC, the Chemin de Fer Congo-Ocean (CFCO) and are involved in several locomotive initiatives to develop the rail infrastructure of the ROC.

RRL Grindrod has been invited by the Republic of Congo Mining Ministry to develop the appropriate rail infrastructure to unlock the resources within the country.

TABLE 1: Iron Niton Readings

Latitude	Longitude	Fe% Niton
00°48' 13.18"	14°27' 35.50"	60.1%
00° 48' 12.73"	14° 27' 34.31"	62%
00° 48' 13.47"	14° 27' 36.49"	60%
00° 48' 17.37"	14° 27' 38.43"	61%
00° 48' 22.71"	14° 27' 39.41"	62%
00°48' 13. 86"	14°27' 30.92"	60%

Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr WJA Witham B.Sc (Hons), MAIG an employee of Waratah Resources Limited. Mr Witham 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 Witham consents to the inclusion in the report of the matters based on this information in the form and context in which it appears. Waratah routinely uses a Niton hand-held portable XRF (Niton) to analyse rock samples and provide a preliminary estimate of iron content using regular reading and averaging of intervals. Niton results from previous drilling that have been released to the ASX are consistent with laboratory assay results. This re-affirms Waratahs view that the Niton, when used properly with an appropriate rigorous testing procedure, is a valid tool for reporting the tenor of iron exploration results.

'Exploration Targets: The estimates of exploration target sizes mentioned in this announcement should not be misunderstood or misconstrued as estimates of Mineral Resources. The potential quantity and grade of the exploration targets are conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Rock Chip samples are then submitted from the field and sent to SGS Laboratories in Johannesburg South Africa for sample preparation, with final analysis using ore-grade ICP Fusion at SGS in Perth Australia. Independent certified laboratory standards are submitted for quality control.

For further information:

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