waratahresources LIMITED

ABN: 47 125 688 940

September 2011 Quarterly Report

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ASX Code: WGO
180.5 million shares at 31/10/11*
Market Cap
A$43.3 million at 31/10/11
Cash
A$2.8 million at 30/09/11

CORPORATE DIRECTORY
DIRECTORS:
Peter Bennetto
- Non Exec Chairman

William Witham
- Managing Director

Jonathan Downes
- Non-Executive Director

Ian Bruce
- Non-Executive Director

Mike Young
- Non-Executive Director

COMPANY SECRETARY:
Robert Orr

*Additional shares to be issued post quarter on settlement of Okanabora acquisition

HIGHLIGHTS

- In country establishment of exploration infrastructure including base camps, roads and bridges continued during the quarter to support significant ongoing drilling programmes due to commence imminently at Waratah's two project areas, initially at Youkou and then at Okanabora.
- Obtained customs clearance for two drill rigs, excavator and geological equipment, purchased vehicles, all 100% Waratah. Rigs have arrived at Youkou site at date of this report.
- Employed geologists, drillers and field staff in anticipation of drilling programmes.
- Cash position (A$2.81 million) to fund exploration and development program.
- Agreed acquisition of new (Okanabora) iron ore licence in Congo- Brazzaville, 75km's south of Youkou, and received shareholder approval for acquisition.
- Mapping at Youkou confirms the significant strike of iron ridge (over 12km of strike).
- Transport and infrastructure studies confirm potential for early production from Youkou.

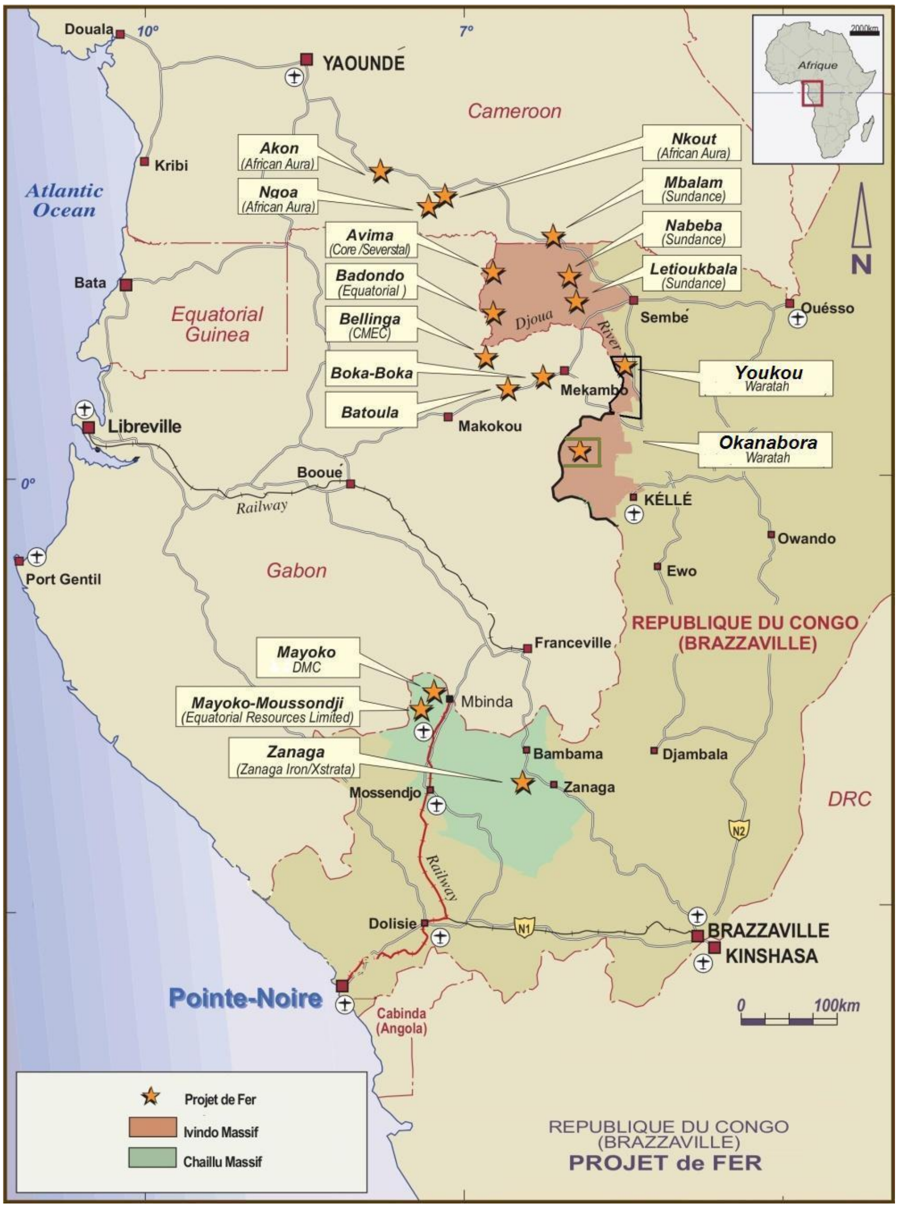
ABOUT WARATAH RESOURCES LIMITED

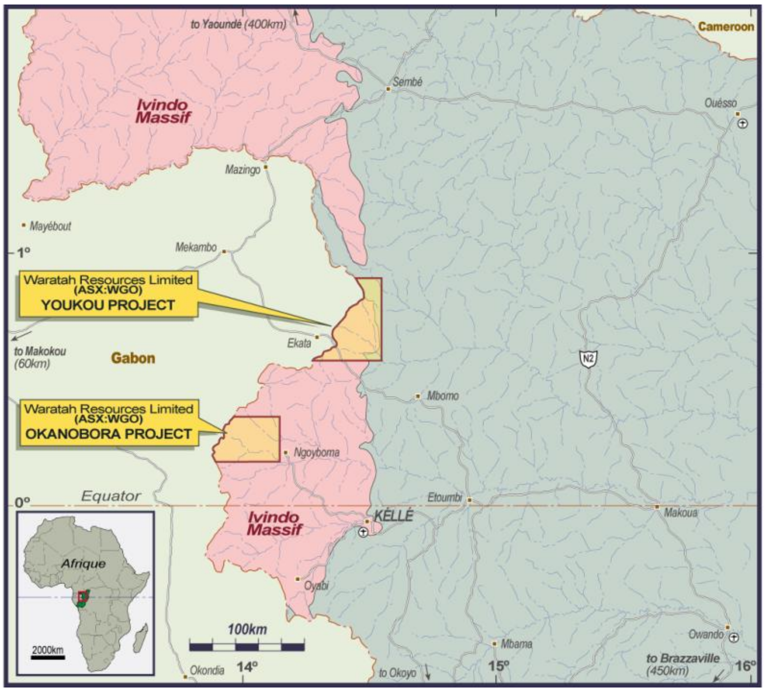
Waratah Resources Limited ("Waratah" "the Company") (ASX:WGO) is an ASX listed iron ore company that is focused on its Youkou iron project in the Republic of Congo ("ROC", also known as Congo-Brazzaville, and distinct from the Democratic Republic of Congo). Waratah is in the process of acquiring other iron projects in the area, including the recently announced Okanabora iron ore project, 75km's south of Youkou.

The Company is well positioned to take part in the development of this region as the world's newest iron ore province. The significance of this region as a world class iron ore province is highlighted by the recent M&A transactions in the region including the +$1.2 billion proposal for a conditional cash bid of Sundance Resources Limited (ASX:SDL) by Hanlong Mining that is currently ongoing.

The Company has good relationships with the ROC government and is seeking to prove up JORC-compliant resources over the coming months with its company owned drilling rigs and equipment.

Waratah's ROC iron ore projects are located on the Ivindo Massif which is host to at least 4 billion tonnes of iron ore, including the world class Nabeba, Avima and Badondo projects, as illustrated in the adjacent and following maps.





YOUKOU PROJECT

Youkou Mapping

The Youkou project falls within the Ivindo Massif, which forms the granitic-gneiss terrane of the basement. Interspersed among the granite are various greenstone terranes, composed of quartzites, schists and amphiboliites. The Youkou Project is centered on one of these greenstone belts, comprised of a central ferriginous quartzite ridge, approximately 10km long in Congo) containing enriched hematite itabirites, identified on surface. Mapping of the project area is ongoing.

Figure 1 - Helicopter Landing Site Cleared by Waratah at Youkou 0.7921 N, 14.4469 E

Youkou drilling

Waratah's two wholly owned drill rigs are on site as at the date of this report, and the infrastructure between Etoumbi and Youkou (via Mbomo and Oloba) has improved dramatically as a result of the work undertaken by Waratah. Currently Waratah has a Caterpillar D7 bulldozer at Youkou opening up the roads and clearing the drilling pads.

Drilling is expected to commence in the first week of November 2011, initially focusing on the central itabirite ridge at the sites of the most obvious outcrops, with the aim of developing a JORC-compliant Inferred Resource.

The initial exploration drill holes will be located along Youkou ridge, initially with a 50m by 200m spacing. Drill holes will be placed along section lines to determine the top and bottom contacts, providing the width of the mineralised zone. Once the extent of the width of the mineralised zone has been determined, fences of holes will be spaced along strike at 400m spacing. During this phase of drilling, the areas indicated by the magnetic survey will be examined for outcrop, and when identified, will also be drilled.

At this level of exploration drilling, only the hematite layers near surface will be targeted, expected to depths of around 70m to 100m, although some deeper drill holes will be completed in order to identify the ore beneath.

OKANABORA

Shareholders recently approved the acquisition by Waratah of the Okanabora Project, 75km's south of Youkou. Settlement of the acquisition is expected to be completed during the December quarter.

Regional Field work has commenced at the Company's proposed Okanabora Iron Project ("Okanabora") 75km south of Youkou in the ROC. A reconnaissance campaign was conducted at the Okanabora Prospect which included the collection of rock samples and the selection of base camp sites to enable a maiden drilling campaign at Okanabora in the first quarter of 2012.

TRANSPORT STUDY

Waratah has undertaken a Transportation Study with Mott McDonald aimed at investigating and optimising the transportation of Iron Ore from the Youkou project for initial start up annual production of 0.5 Mtpa, 1 Mtpa, 2Mtpa, 5Mtppa and 10Mtpa.

The report found that it may be feasible to transport ore using bottom discharge bins. Key findings were:

- 1 to 2Mtpa potential for start-up with a road haul 130kms to Etoumbi
- Smaller barges for 1st leg between Etoumbi & Congo River
- Larger barges on Congo River to Brazzaville
- Rail to Point Noire port on CFCO line

CORPORATE

The Company remains well funded with $2.81 million cash at bank at 30 September 2011.

During September, the Company opened an office in Johannesburg to act as the central point of operations in Africa. The lower costs, better communications and air transport links will enable a complete backup service for our field operations.

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Technical information in this report is based on information compiled by Mr. William Witham B.Sc. Geology (Hons), Waratah Group Geologist and a member of the Australian Institute of Geoscientists. Mr. Witham has sufficient exploration experience which is relevant to the styles of mineralisation and types 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' ("JORC 2004"). Mr. Witham consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.