

MIDWINTER RESOURCES NL

ASX Announcement

12 January 2012

Woolwich drilling campaign to commence in January 2012

The Woolwich magnetic anomaly located in the Republic of South Africa will be drilled by Midwinter Resources NL in January/February 2012. The anomaly is thought to be generated by widespread magnetite mineralization over a length of 15 km and having a peak aggregate width of 800m.

Highlights

- Large interpreted buried magnetite body targeted in maiden drilling campaign
- Significant strike length to be tested on fences spaced 1200m apart
- Geophysical models to be used for optimal target location below cover
- Drilling to commence in January

Midwinter Resources NL (the "Company") has been preparing for drilling on the Woolwich magnetic anomaly, a major magnetic feature which lies due east of the previously drilled Northern Lights magnetite mineralization, in the Limpopo Province, Republic of South Africa (Figure 1). Midwinter has approximately 3,000 km² of granted tenure and applications within which over 600 strike kilometres of banded iron formation has been interpreted. These iron formations are known to host widespread magnetite mineralization.

The Woolwich anomaly (Figure 2) occurs over an area which is covered by wind-blown sand. Little outcrop exists however as the anomaly has a greater magnitude than those successfully drilled for magnetite in 2010; Woolwich is interpreted as being a magnetic response which reflects similar mineralization.

Some delays have been experienced in obtaining permission for ground disturbance activities (drilling) however the Company has taken advantage of the additional time available to gain better geophysical resolution of the drill targets, and a drilling contractor has been engaged to commence work in January 2012.

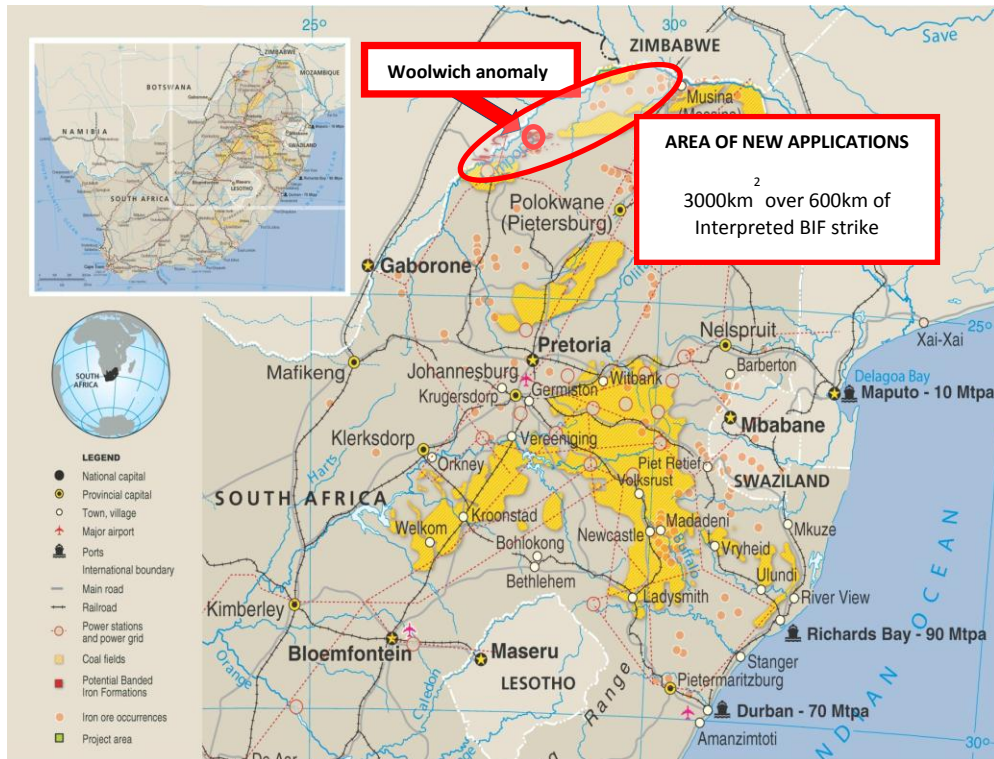


Figure 1 Location of the Company's iron project and the current drill target – the Woolwich anomaly

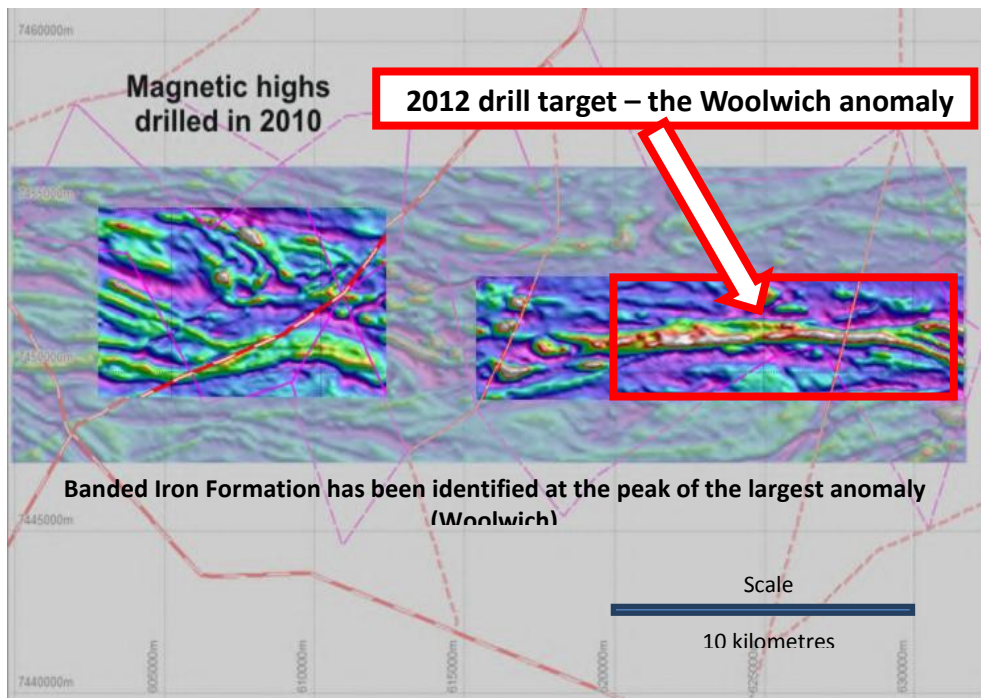


Figure 2 showing small anomalies successfully drilled in 2010 which demonstrated magnetite mineralization as the source of the magnetic response. The much more prominent Woolwich anomaly which lies to the east of Northern Lights, is the target for drilling scheduled to commence in January 2012.

High resolution magnetic surveys were flown in 2010 and these have been used to interpret the likely geometry of the target mineralization. The model produced from the 2010 aeromagnetic survey suggest the central portion of the anomaly emanates from a series of magnetic bodies with a width of about 800m (Figure 3). Ground magnetics have been used to provide greater resolution over planned drill traverses and improve the interpretation of the magnetic model by providing better spatial resolution of the contacts between magnetic (target mineralization) and non-magnetic material. Locations of the ground magnetic traverses are shown in Figure 3.

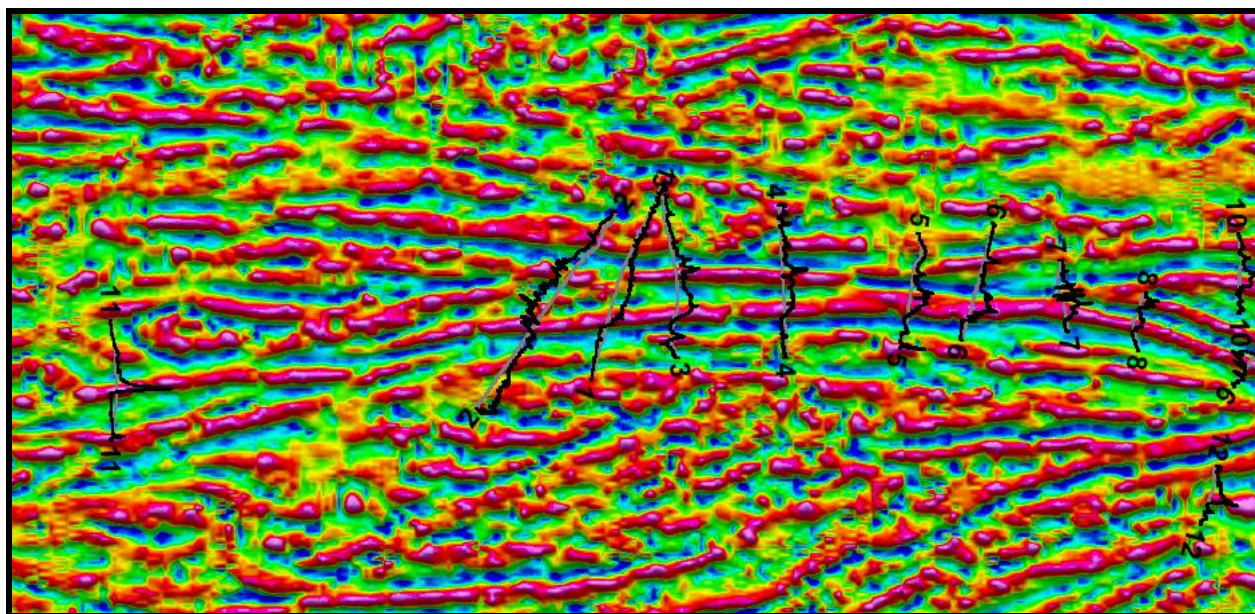


Figure 3 shows an enlarged image (second vertical derivative) of the area of interest, as outlined in Figure 2 and the ground magnetic traverses, along planned drill fences, that have been used to optimize drill targets.

The synthesis both ground and aerial magnetics has enabled the generation of a more comprehensive magnetic model. An example of the magnetic targets produced by this modeling is provided in Figure 4.

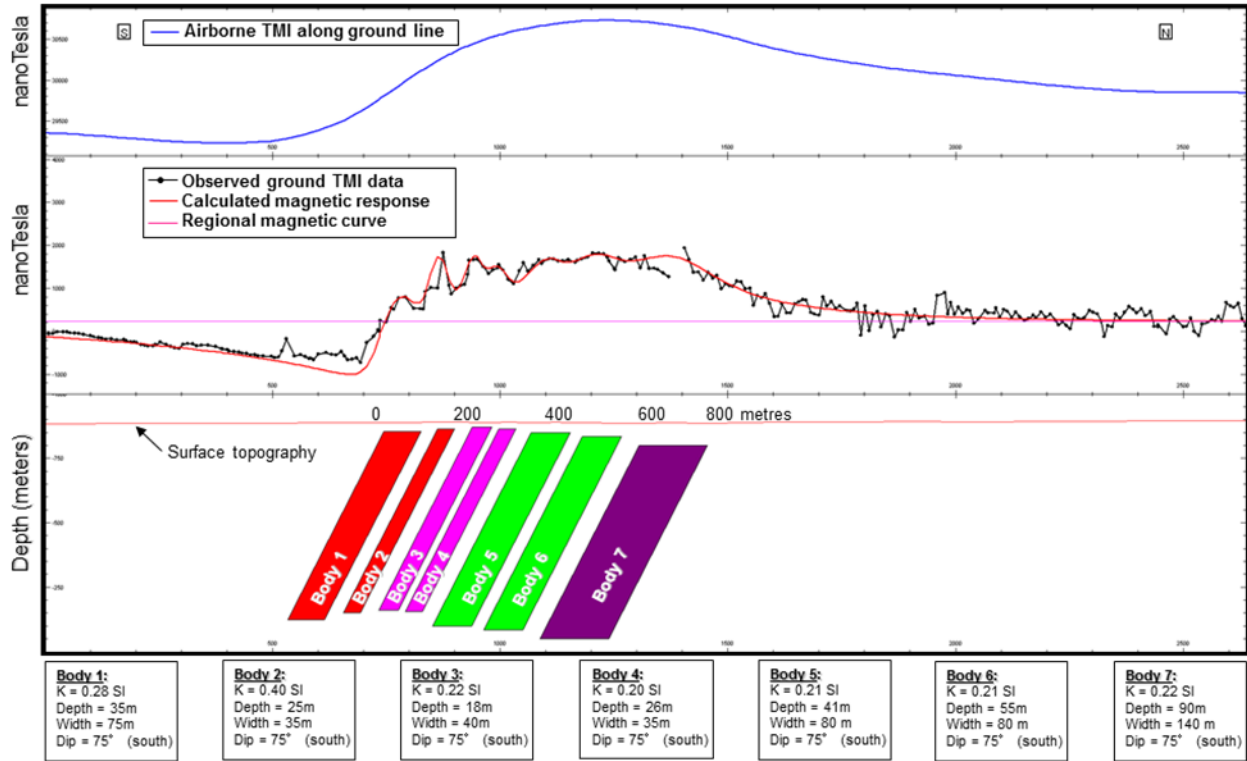


Figure 4 shows the airborne and ground magnetic responses along one of the ground survey lines and the subsequently modelled magnetic bodies on Line 1 (see Figure 3). Models of this type have been prepared independently by leading geophysical consultants, Fugro, for all sections to be drilled in the initial program.

Modelling of the magnetic response at Woolwich must be considered in the following terms:

- The section depicted in Figure 4 crosses the widest section of the airborne magnetic anomaly.
- The model depicts MAGNETIC UNITS with a combined width of up to 800m i.e. there may be magnetic rocks that are not prospective magnetite mineralization.
- There are strong indications that the sequence is folded in the thickest areas of Woolwich which may result in structural repetitions not seen along the entire strike length.
- The modelled depth of burial gives a depth to the magnetic part of the unit. Susceptibilities of the upper part of the unit may have been altered by oxidation.
- The magnetic susceptibility used in the models may be reflecting material that is lower than any practical economic cut-off.
- There are magnetic gneisses and ultramafics that have been identified within the stratigraphic sequence, and these may contribute to the observed response.

The drilling program is likely to take three weeks to complete if ore is intersected in the first of the three fences drilled. These sections are the most promising sections and should they not produce commercial intersections, the program will be truncated. Assays will follow several weeks after the completion of drilling.

Investors wanting more information on Midwinter should contact:

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About Midwinter

Midwinter is focused on advancing the Northern Lights Iron Ore Project in the Republic of South Africa. The project consists of approximately 3,000 km² of granted Prospecting Rights, and pending applications prospective for magnetite mineralization. It is estimated that over 600km strike potential of iron formations exist within areas controlled by Midwinter. Assays from drilling and surface iron samples range from 23% to 41% Fe. Mineralization is coarse-grained and amenable to low cost concentration processes. The mineralization exhibits very low impurity levels and is capable of producing very high quality concentrates.

Competent Persons Statement:

The information contained in the report that relates to Exploration Results of projects owned by Midwinter Resources NL and is based on information compiled or reviewed by Mr Adrian Griffin, who is an employee of the Company and is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken 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 Griffin has given consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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