



MIDWINTER RESOURCES NL

QUARTERLY ACTIVITIES REPORT For the period ending December 2011

Midwinter Resources NL (**ASX: MWN**) is pleased to report the following achievements for the December 2011 quarter:

HIGHLIGHTS

- Reconnaissance over areas of new applications identifies magnetite mineralization on dip slopes with negligible overburden
- Geophysical modelling develops drill target for Woolwich
- Woolwich prepared for drilling

LIMPOPO IRON PROVINCE – REPUBLIC OF SOUTH AFRICA

Northern Lights (Including the Woolwich anomaly)

The project is located approximately 400km by sealed road, north of Johannesburg (Fig. 1).

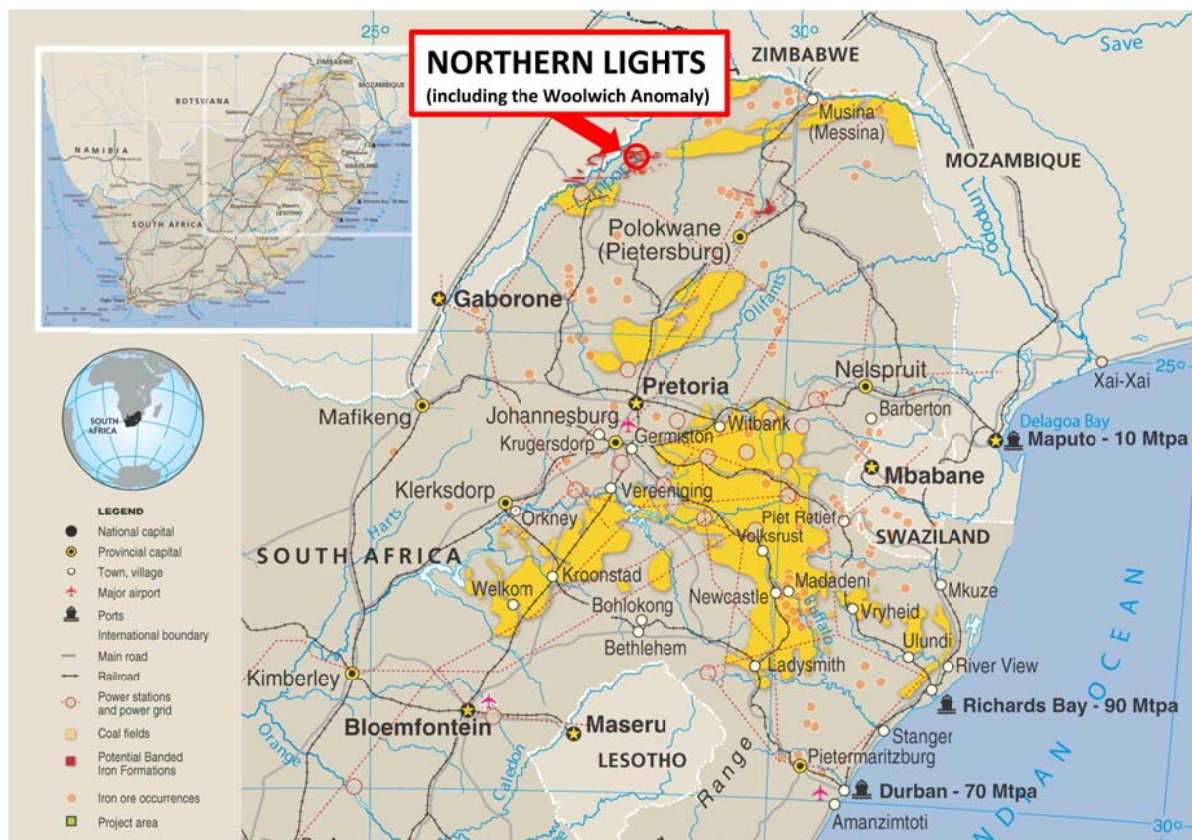


Figure 1. Location of the Northern Lights magnetite project.

P (618) 9322 6451 F (618) 9322 6398

E admin@midwinterresources.com.au www.midwinterresources.com.au



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Preparation was undertaken during the quarter for drilling the largest of the magnetic anomalies over which Midwinter has high resolution magnetic surveys – the Woolwich anomaly. The aerial magnetic database was augmented by ground traverses to improve resolution along the first of the planned drill fences. This work has resulted in detailed magnetic interpretation over about 5km of the 15 km strike length of the anomaly. The interpretation is shown in plan view (draped over a Goggle Earth image) in Figure 2, and an example section in Figure 3.

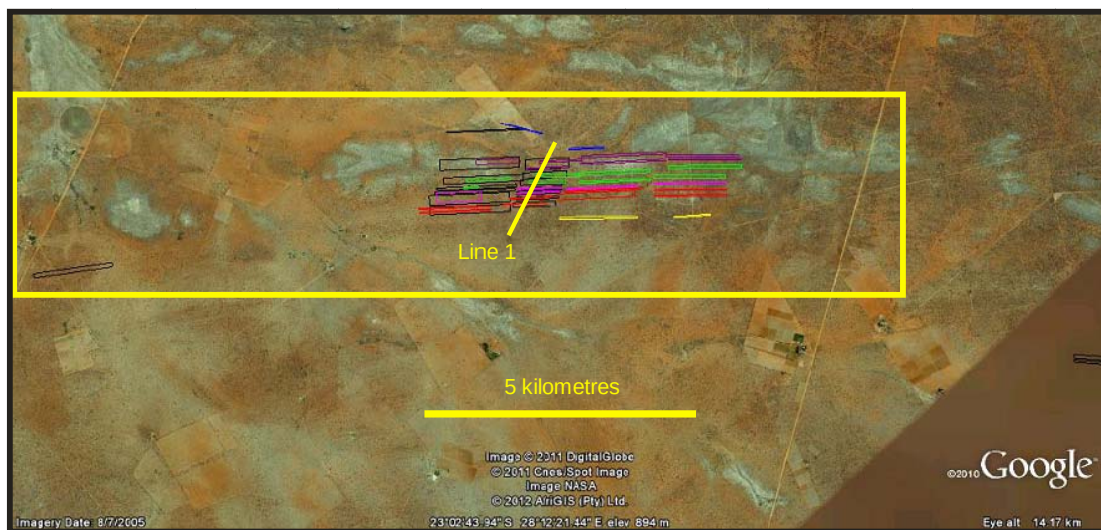


Figure 2 shows the plan configuration of interpreted magnetic bodies within the core of the Woolwich anomaly.. Centre of the image is 23°02'44\"/>

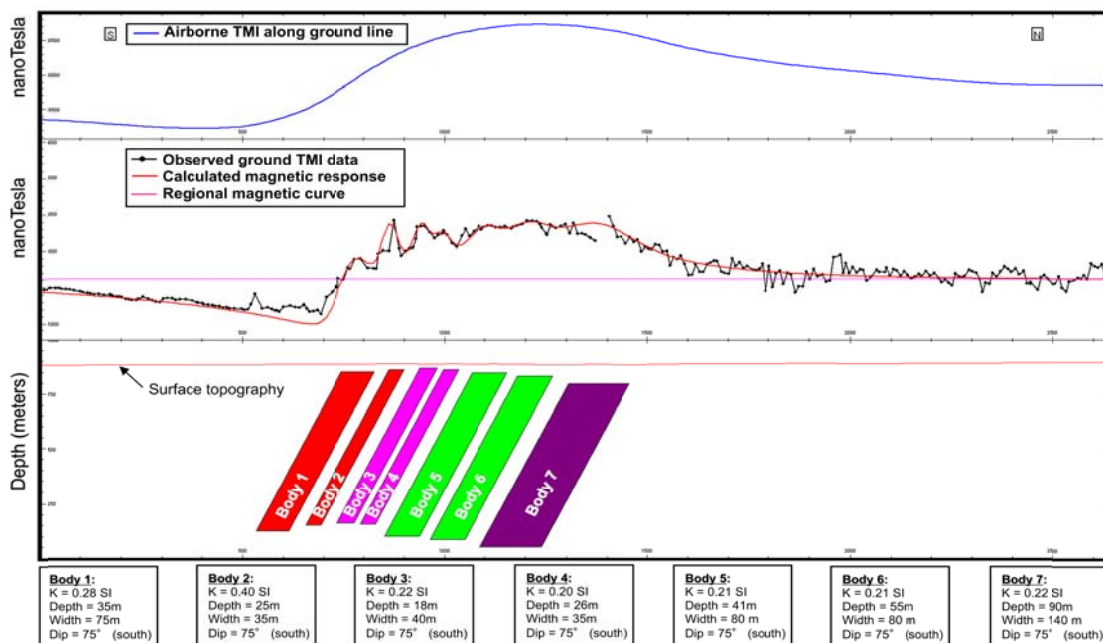


Figure 3 shows magnetic features on Line 1 as interpreted by Fugro. The features occupy a width of 450m within an envelope of 800m. It is unlikely that all of the interpreted features will reflect ore grade mineralization.

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Geophysical modelling is continuing over the remaining 10km strike of the Woolwich anomaly. The models produced will be updated as information becomes available from the first of the drilling scheduled for early in the first quarter of 2012.

Regional exploration

Strategy

Areas with prospective magnetic signatures where previously drilled confirm the presence of magnetite as a source of the anomalism, below thin cover (little or no outcrop). Metallurgical investigations proceeding the reporting period, confirm iron concentrates can be produced of very high quality. The concentrates are characterized by:

- liberation at coarse grind size
- iron recovery 85-90%
- Fe 69.9%
- SiO₂ <2.5%, Al₂O₃ <1.5%, P <0.01%.

Information from the 2010 drilling campaign provided invaluable data on both a regional scale (assisting with interpretation and the development of a regional exploration strategy) and a project scale, particularly with respect to evaluating the nearby Woolwich anomaly. Midwinter reviewed open-file magnetic data, regional geological map sheets and remote-sensing imagery to identify priority areas for new Prospecting Right applications and, where appropriate, the target areas were ground-checked to verify the presence of magnetite mineralization. This work led to a series of priority applications being lodged with the South African DMR in the first half of 2011. Accepted applications are shown in yellow in Figure 4.

Work undertaken during the quarter

During the period Midwinter continued reconnaissance inspections of the new application areas which cover the most prospective locations over a trend length of 270km. The area under application is approximately 3,000 km² and contains about 600 strike kilometres of interpreted banded iron formation, the host to the target magnetite mineralization (Fig. 4).

Areas of high grade magnetite mineralization (>40% Fe) have been identified, and in some locations the target horizons from dip slopes with negligible overburden (Fig. 5).



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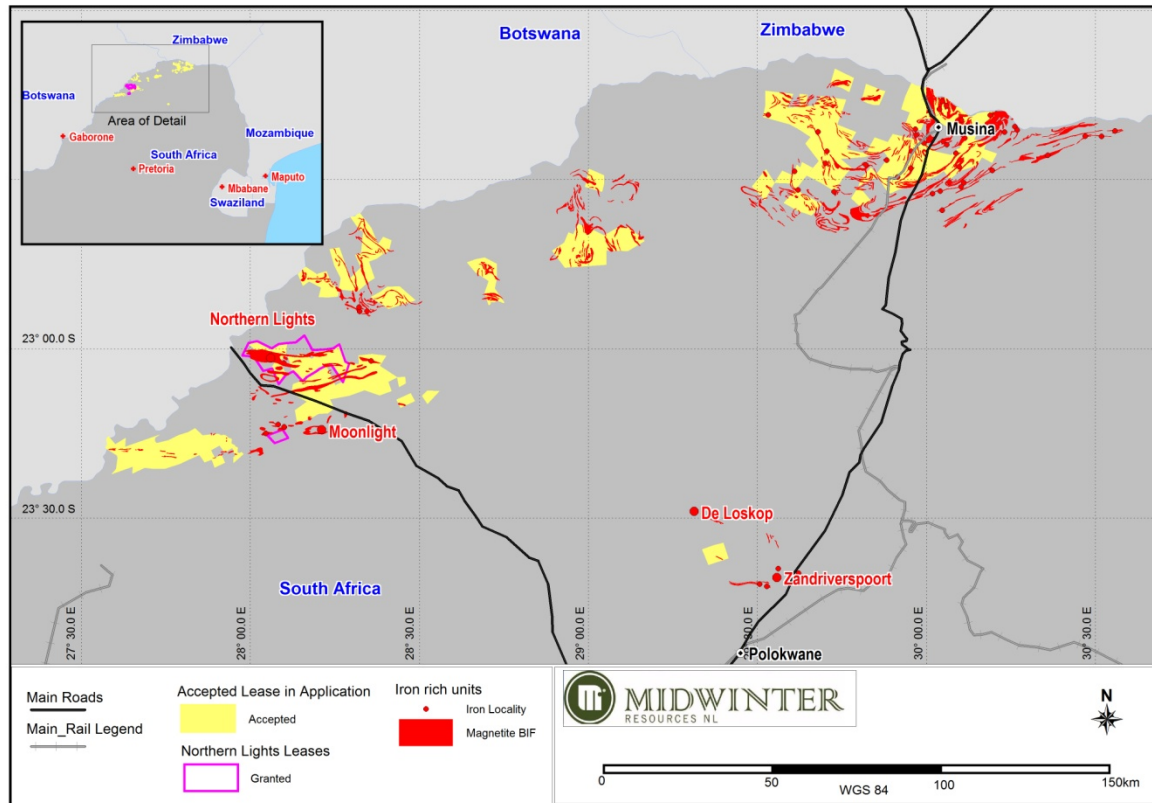


Figure 4 showing areas of new applications (yellow) over a trend length of 270km.



Figure 5 showing banded iron formations on dip slopes and limited overburden.

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The banded iron formations are extensive, covering area comparable to that of the Hamersley Basin (Fig. 6). Despite the comparable areas the product available in Limpopo, being magnetite, has different characteristics and markets to the hematite produced as direct shipping ore from Australia and Brazil.

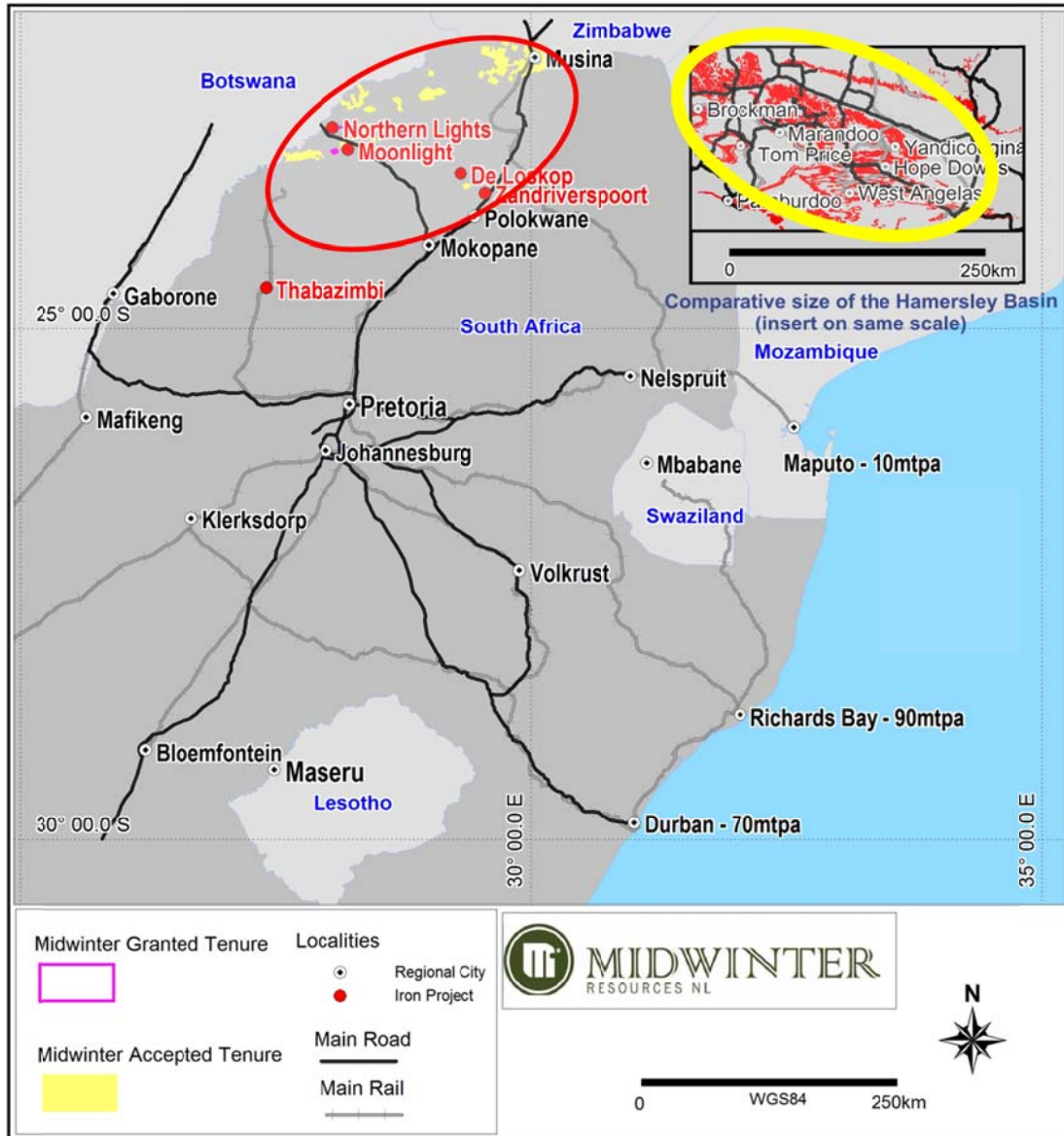


Figure 7 shows the comparative size of the Limpopo Iron province, with the Hamersley Basin (insert on the same scale as the primary map).

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E admin@midwinterresources.com.au www.midwinterresources.com.au



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CONCLUSION

Midwinter believes the Limpopo Iron Province offers some of the best potential in Africa, due to:

- its size (the target area is more than 270 km in length)
- the superior quality of the concentrate (allows for customer flexibility)
- available infrastructure (well-developed road, rail and power)
- the proximity of markets (it is close to the heartland of a developing steel industry)
- export opportunities (there are rail links to deep-water ports)
- the availability of raw materials (local coal, gas, limestone and water).

The Company will produce drill results from Woolwich early in the March quarter and continue its regional exploration evaluation program. Midwinter continues to assess available opportunities, particularly those with geographic and product synergies. The focus remains Africa and the commodities of interest remain the raw materials for steel making.

Investors wanting more information on Midwinter should contact:

Adrian Griffin
Managing Director
T: +618 9322 6451

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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