Rico Resources

Media Release

ASX ANNOUNCEMENT/MEDIA RELEASE **ASX: RRI**

12 September 2012

NEW IRON ORE DISCOVERY AT WONMUNNA

- **New prospect, named EMM, identified with outcropping goethite/haematite-mineralised BIF along 2.5km of strike and widths of 100– 300m**
- **Structural style at EMM suggests potential for thick mineralisation (>50m)**
- **Best result from rockchip sampling of 66.5% Fe, 0.048% P, 0.37% Al_2O_3 and 0.92% SiO_2**
- **New prospect directly east of current resources within the Marra Mamba Formation**
- **Resource evaluation drilling at EMM planned for later in 2011**
- **Drilling programme at other targets and infill drilling commencing September 2011**

The Board of Rico Resources is pleased to announce the discovery of new high-grade iron ore mineralisation within the Wonmunna Project.

The mineralisation was located by CSA Global in a recent mapping programme targeting mineralised BIF in a similar geological setting to that at NMM. The new "EMM Prospect" lies 7km to the east of the NMM deposit.

The Wonmunna Project comprises exploration licence E47/1137 and is located adjacent to the Great Northern Highway some 80km west of Newman (see Figure **1**). The project is strategically located in the heartland of the East Pilbara iron ore mining industry, with three major operating iron ore mines (West Angelas, Mining Area C and Hope Downs) located within 20km of the lease boundary, and adjacent to the yet to be developed Rhodes Ridge deposit.

The Wonmunna Project comprises three iron ore deposits, (NMM, CMM and SMM) in the lower Marra Mamba Iron Formation. As previously announced, the Wonmunna Project hosts a combined Inferred Resource of 78.3Mt at 56% Fe using a 50% Fe cut-off[1].

The recent mapping programme by CSA Global has outlined a previously unrecognised synclinal keel of Marra Mamba Iron Formation outcropping over a 2.5km strike length. The banded iron formation (BIF) forms an elongated mesa 100–300m wide and 5–15m high.

The BIF is interpreted to be the lower Nammuldi member of the Marra Mamba Iron Formation. The mapping indicates there are two sub-parallel synclines trending east-west (Figure 2).

The southern syncline is isoclinal, with its southern limb being recumbent in places and with the northern limb dipping less steeply to the south. The southern syncline extends the full length of the outcrop (≈2.5km) and is generally 100–150m wide.

The tightly folded, steeply dipping, nature of the southern syncline limbs offers the potential for mineralised BIF to be present to much greater depths (>50m) than the shallowly dipping folds in northern syncline and elsewhere, such as at NMM.

[1] Refer to Rico Resources Shareholder Presentation ASX released on 15/7/2011 for full details of the Resources.

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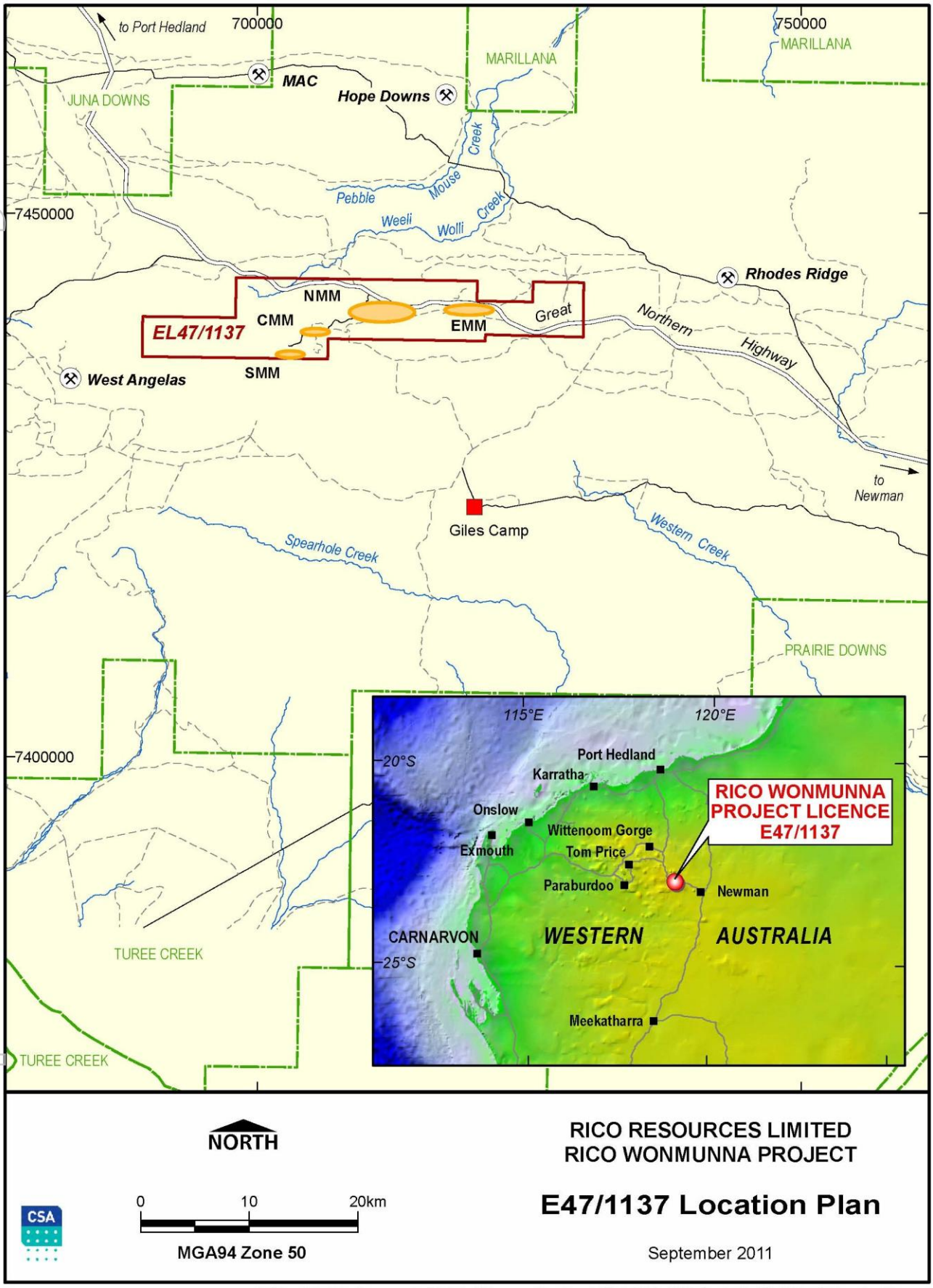

Figure 1: Wonmunna Project Location

The northern syncline is saucer-shaped in cross section with its southern limb truncated by the southern fold keel. The northern fold keel extends for a length of 1km and is 150–200m wide with bedding dipping to the south at 5°–20°.

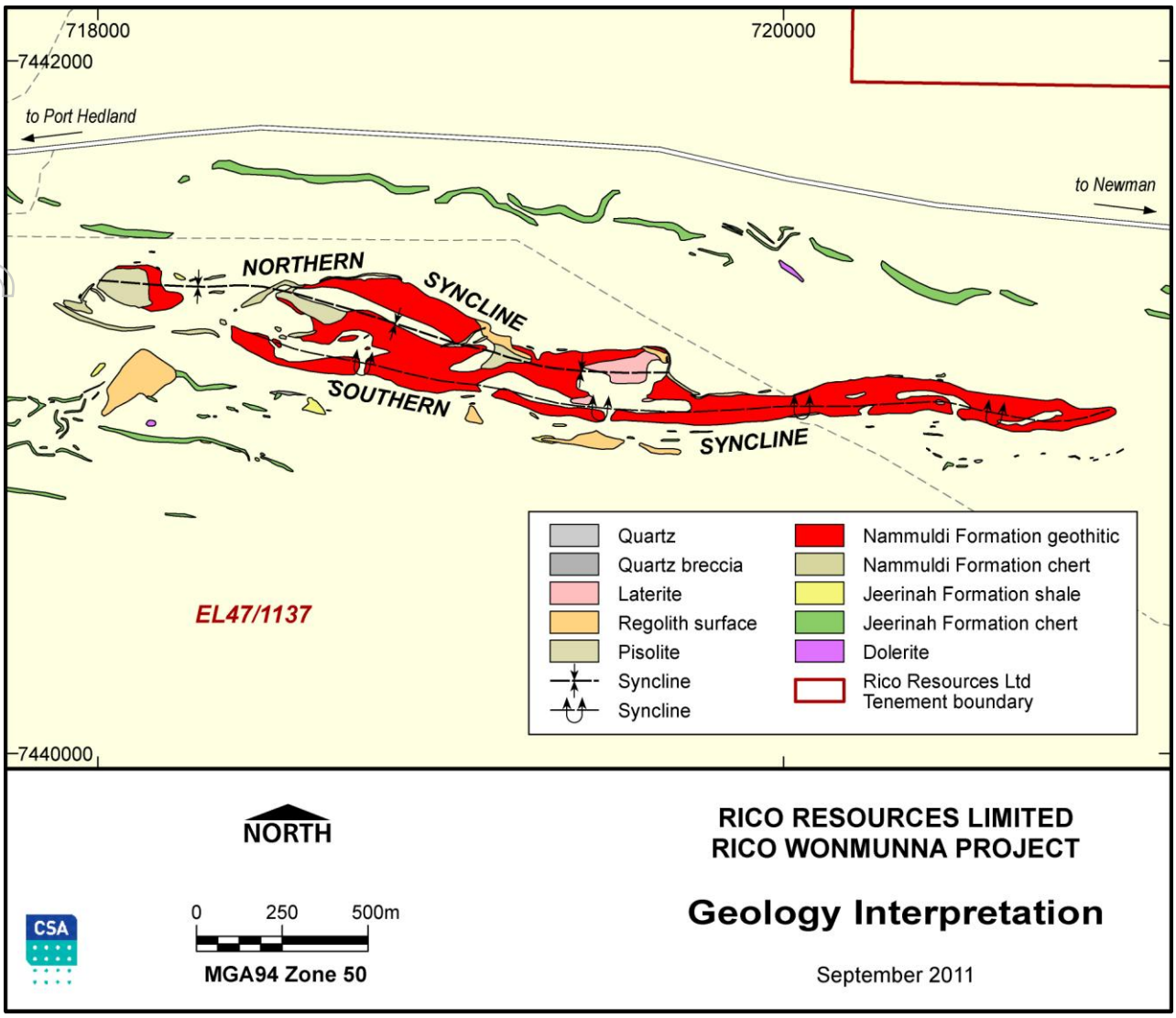

Figure 2: Geology of the EMM prospect

The outcrop at EMM of the mapped Nammuldi Member BIF is mineralised to goethite, and less commonly haematite (Figure 3). Five rock chip samples collected during the mapping demonstrate high-grade/low contaminant mineralisation is present at surface. The results of the sampling are shown in Table 1.

Table 1: Rockchip Analysis Results

Sample ID	Easting	Northing	Sample type	Fe	SiO_2	Al_2O_3	TiO_2	P	S	LOI
	MGA Z50			%	%	%	%	%	%	%
RRRC3	718956	7441070	CGS	58.58	2.47	2.43	0.06	0.16	0.069	10.54
RRRC4	718790	7441135	CGS	62.75	3.06	1.6	1.07	0.05	0.04	3.79
RRRC5	718813	7441104	CGS	57.64	3.09	2.1	0.03	0.09	0.09	11.46
RRRC6	719020	7441231	CGS	59.46	2.03	1.54	0.03	0.02	0.102	10.79
RRRC7	718985	7441300	CGS	66.50	0.92	0.37	0.02	0.05	0.02	3.38

Notes:

- CGS = composite grab sample
- Sample Preparation: The samples have been sorted and dried. Primary preparation has been by crushing the whole sample. The whole sample has then been pulverised in a vibrating disc pulveriser.
- Analytical Methods: The samples have been cast using a 12:22 flux with added sodium nitrate, to form a glass bead that has been analysed by X-Ray Fluorescence Spectrometry for Fe, SiO2, Al2O3, TiO2, P, S.
- Loss on Ignition results have been determined using a robotic TGA system. Furnaces in the system were set to 110 and 1000 degrees Celsius. LOI1000 has been determined on this system.

Figure 3: Outcropping mineralised BIF at the southern side of the EMM mesa

The mineralised BIF at EMM is characterised by a subtle magnetic low (Figure 4), suggesting the BIF has been completely altered to goethite and haematite, as has been found from drilling in the non-magnetic mineralised area at NMM.

Since the mineralised zone at EMM lies along the same broad structure as the NMM deposit it is considered likely that the chemistry of the iron mineralisation at EMM will be similar to that of the NMM prospect. NMM is Rico's largest and highest-grade deposit.

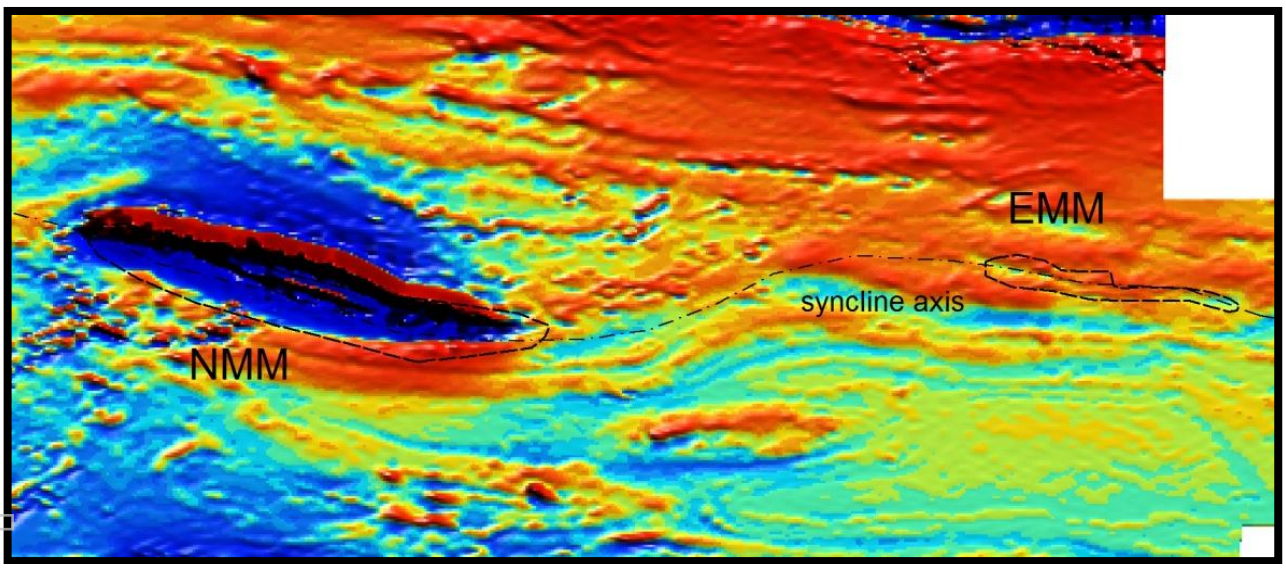

Figure 4: Aeromagnetic image (TMI) showing the signature of the NMM and EMM areas

To test the potential of the EMM area and identify the extent of iron mineralisation Rico is planning a resource evaluation drilling programme later in the year. A POW has been prepared and heritage surveys requested.

Rico is planning to commence its resource definition drilling programme by the end of September 2011 to:

a) Conduct resource evaluation at other known targets at west of CMM and near the eastern edge of the tenement; and,

b) Complete resource definition infill drilling at NMM, robustness of the resource at NMM.

More details on this drilling programme will be provided once drilling commences.

Mr Imants Kins said:

> "The discovery of this new high-grade mineralisation along a strike extent of 2.5km provides significant additional potential for Rico to meet its previously announced target to double its 78.3Mt Inferred Resource within the next 12 months. This is even more exciting when combined with the potential in the known targets that will be tested in the upcoming drilling programme. Of course, this is all subject to further drilling results.
>
> Rico would like to congratulate CSA Global in the excellent work it has provided in making this discovery. Rico looks forward to the results during the coming drilling programme managed by CSA Global and the subsequent drilling programme later in 2011 at EMM. Further additional tonnes of JORC resources will add value to the development options for the Wonmunna project."

Imants Kins
Executive Chairman

About Rico Resources Limited

Rico Resources Limited is a mineral exploration company focused on iron ore projects within the Pilbara and nearby Ashburton mineral field of Western Australia. The company has an Inferred Resource of 78.3 million tonnes of iron at its strategically located Wonmunna Project in the world-class iron ore-rich Pilbara region.

The resource is in close proximity to operating mines such as West Angelas (Rio Tinto), Mining Area C (BHPB), Hope Downs (Rio/Hancock JV) and Mt Whaleback (BHPB).

The company is well funded to undertake further exploration designed to increase its resource base in 2011/12. At the same time the company is investigating creative solutions for developing its Wonmunna Project, strategic acquisitions and crystallising infrastructure solutions to benefit the southeast Pilbara area in general.

Competent Persons statement

Exploration results in this document have been reviewed and validated by Mr Graham Jeffress who is a member of the Australian Institute of Geoscientists and a Registered Professional Geoscientist. Mr Jeffress is a consultant to Rico Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking as a competent person as defined in the 2004 edition of the " Australasian Code for Reporting Exploration results, Mineral Resources and Ore Reserves". Mr Jeffress consents to the inclusion in the documents of the matters based on his information in the form and context in which it appears.

Disclaimer

The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the author at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty. Any economic decisions that might be taken on the basis of interpretations or conclusions contained in this report will therefore carry an element of risk.