

SHERWIN IRON

(ASX Code: SHD)

A Competitive
Advantage in Iron Ore



Deposits + Rail + Port + Markets = A World Class Iron Ore Project

The Roper River Iron Ore Project

Greg Bittar, CEO – September 2010

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Important Notices & Forward-Looking Statements

JORC Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Neil Biddle who is a Member of The Australasian Institute of Mining and Metallurgy and a Director of Batavia Mining Limited. Neil Biddle has sufficient experience 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'. Neil Biddle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

This report contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, objectives, performance, outlook, growth, cash flow, earnings per share and shareholder value, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses, property acquisitions, mine development, mine operations, drilling activity, sampling and other data, grade and recovery levels, future production, capital costs, expenditures for environmental matters, life of mine, completion dates, uranium prices, demand for uranium, and currency exchange rates. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast' and similar expressions. Persons reading this report are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different.

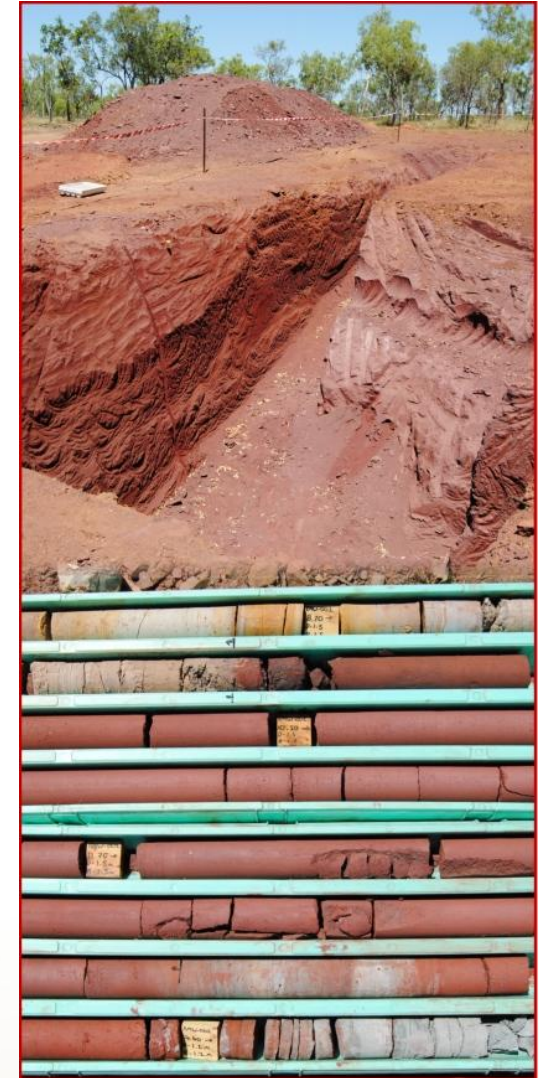
Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to the risk factors set out in the Company's Annual Information Form.

This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. The Company disclaims any intent or obligations to update or revise any forward-looking statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.

¹ The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resources.

Project Overview

- Large-scale asset located in an emerging iron ore province in the Northern Territory
- Strategic location with excellent logistics – Access to Rail, Road and Port:
 - *Suitable and available*
- Exploration Target¹ of 400-500Mt @ 40-55% Fe:
 - *Includes Exploration Target¹ of 60-80Mt @ 50-55% Fe for flagship Hodgson Downs deposits (independent technical assessment)*
 - *Company Exploration Target¹ for Hodgson Downs of 80-150Mt @ 50-60% Fe*
 - *Extensive recent drilling provides strong evidence that Exploration Targets are already within reach*
- JORC resource due for release in October 2010
- Production expected by 2012



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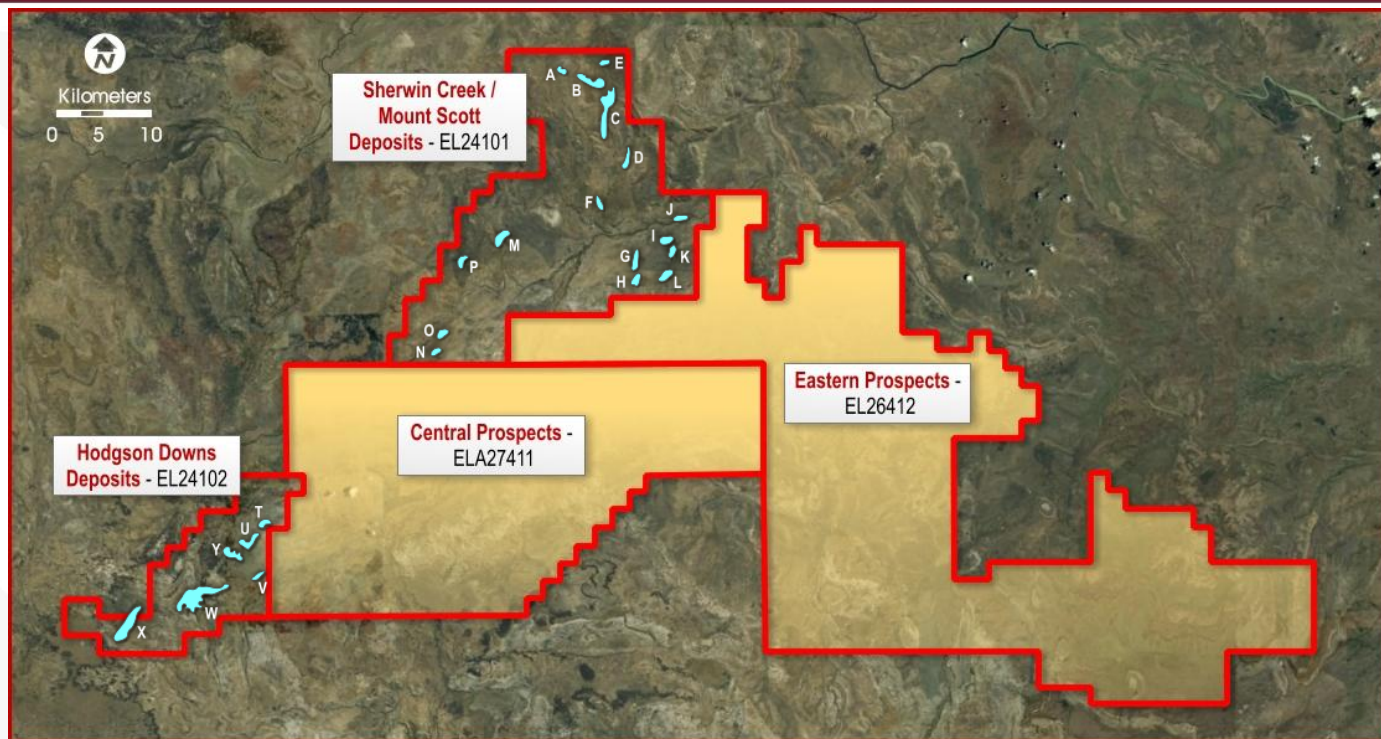
Location and Logistics – *while others wait for infrastructure...*



Strategic Location:

- 475km SE of Darwin
- 80km E of Mataranka, Gas Pipeline, Stuart H'way
- 125km E of Darwin-Adelaide Railway Line
- 100km W of Gulf of Carpentaria
- Intersected by sealed Roper H'way

The First Ingredient: Deposits and Prospects



Hodgson Downs:

- Aboriginal freehold land
- BHP-identified deposits
- +60Mt (potentially 80-150Mt) of higher grade ore potential

Sherwin Creek/Mount Scott:

- 220Mt of ore potential at A-E Deposits
- +100Mt ore potential at G-L Deposits

Central Prospects:

- High potential for undercover extensions to outcropping mineralisation

Eastern Prospects:

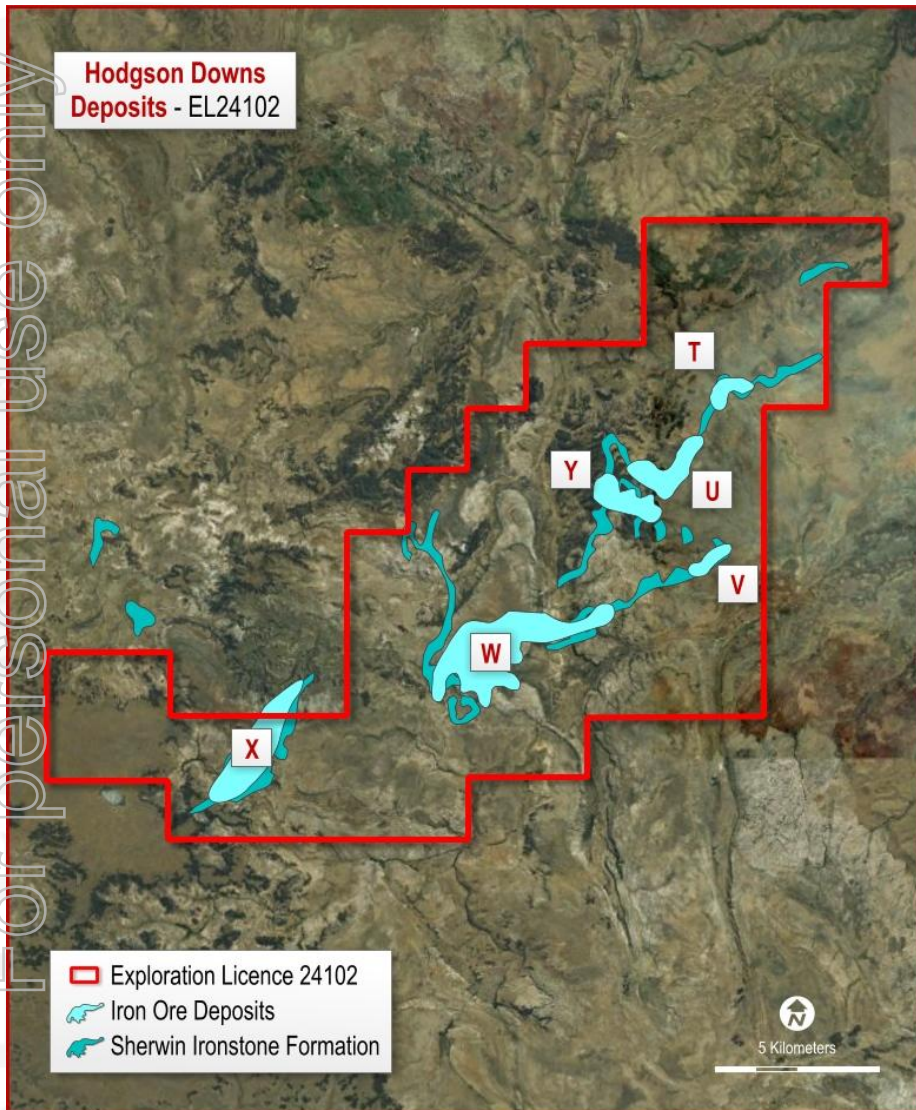
- High potential for large tonnage extensions to WDR Roper Bar Iron Ore Project resource on EL 264102
 - *Direct Sherwin extension into this area*

Hodgson Downs – Overview

- For personal use only
- Six deposits including flagship ‘W’ and ‘X’ Deposits
 - Exploration focus to source initial production
 - Exploration Target¹ +60Mt (technical expert), Management target of 80-150Mt @ 50-60% Fe:
 - *Upgrades to ~60% Fe*
 - *Low impurity levels*
 - Readily saleable to Asian smelters
 - Next steps:
 - *Scoping Study*
 - *Initial JORC Resource*
 - *Initial production and ramp-up*



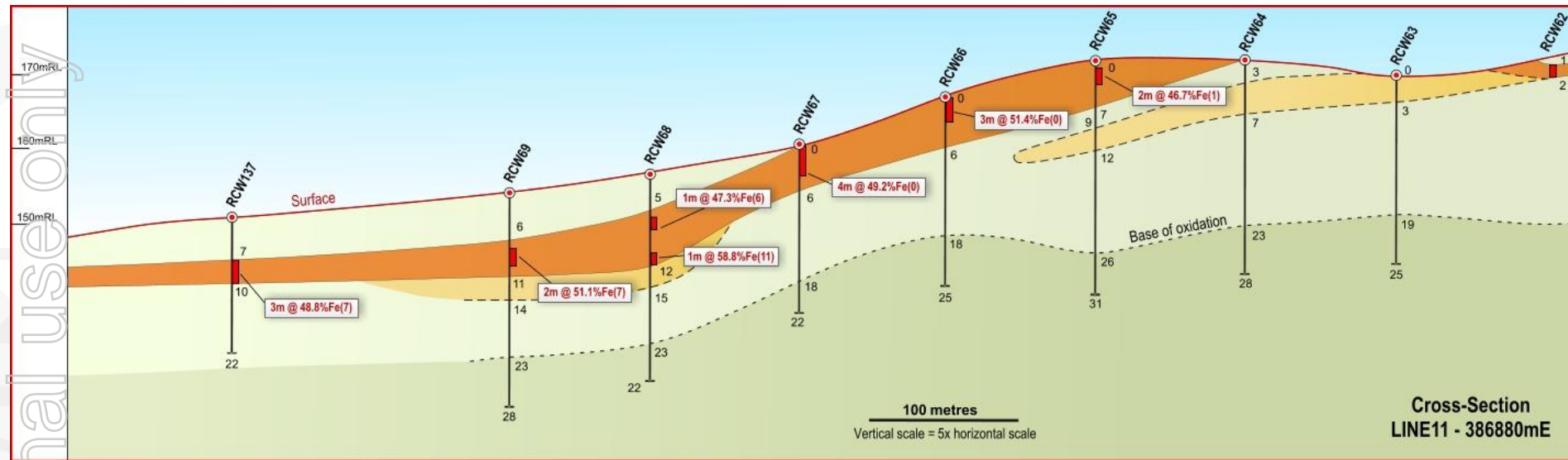
Hodgson Downs – Exploration Objectives



- Sherwin Formation hosts 25km strike length of oolitic hematite
- Entire strike length will be tested by end 2010
- Initial JORC compliant resource early October, with regular updates to follow
- Geotechnical and metallurgical studies by end 2010
- Management's Exploration Target¹ of 80-150Mt @ 50-60% Fe
 - *Achievable based on results to date*
 - *Low impurities*
 - *Easily Upgradeable to a readily saleable product*

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Hodgson Downs – Iron Formation

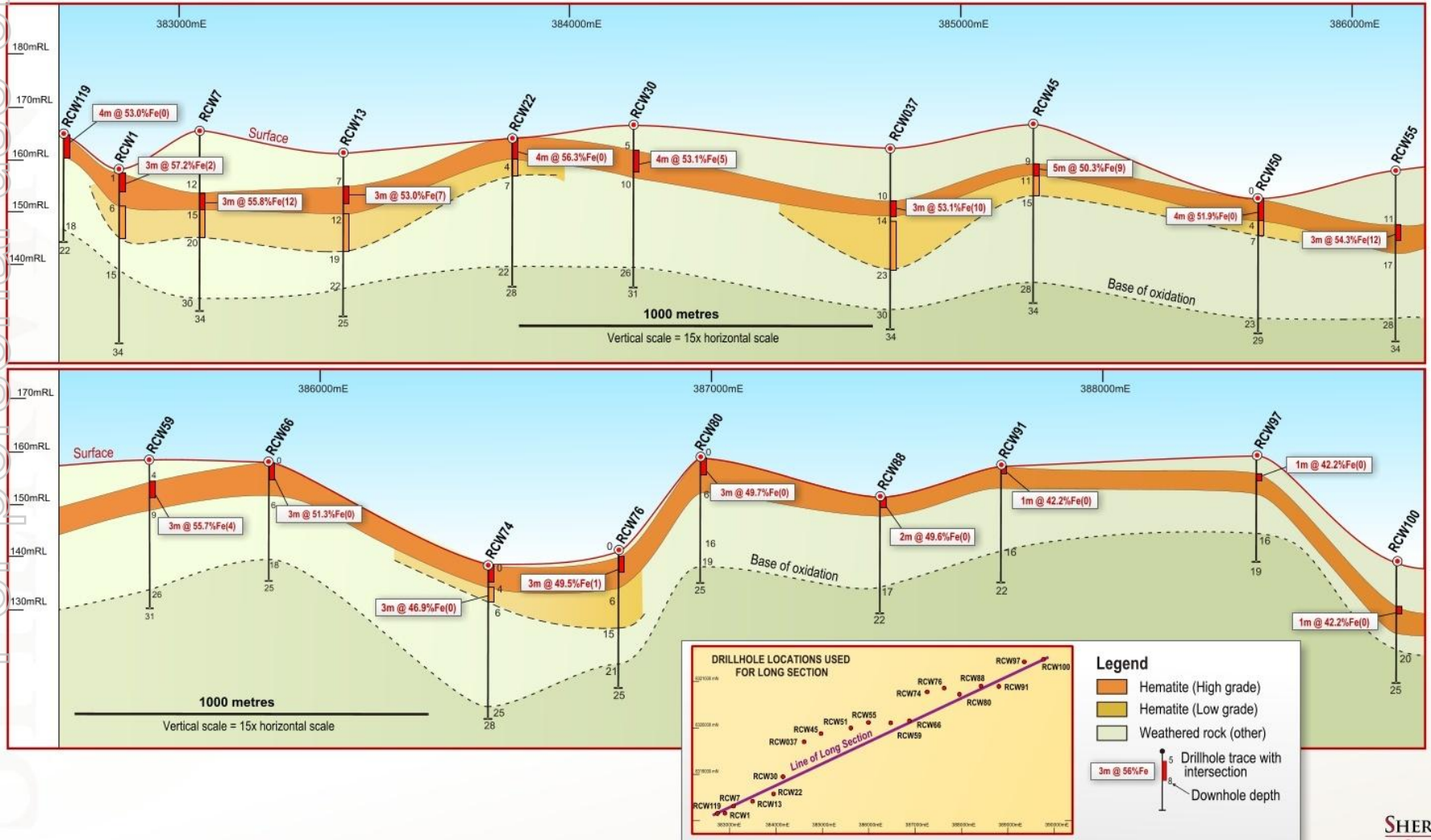


- Continuous Enriched Oolitic Hematite:
 - *At 'W' Deposit extends over 8km in length, up to 1.2km wide*
 - *Average thickness 3-4m, close to surface, often exposed at the top of cliff faces*
 - *Accompanied by a foundation layer of ferruginous sandstone*
- Very consistent drill line cross-sections along each strike
- Expect similar formations through remainder of Hodgson Downs deposits

Hodgson Downs – Iron Formation

Another perspective.....

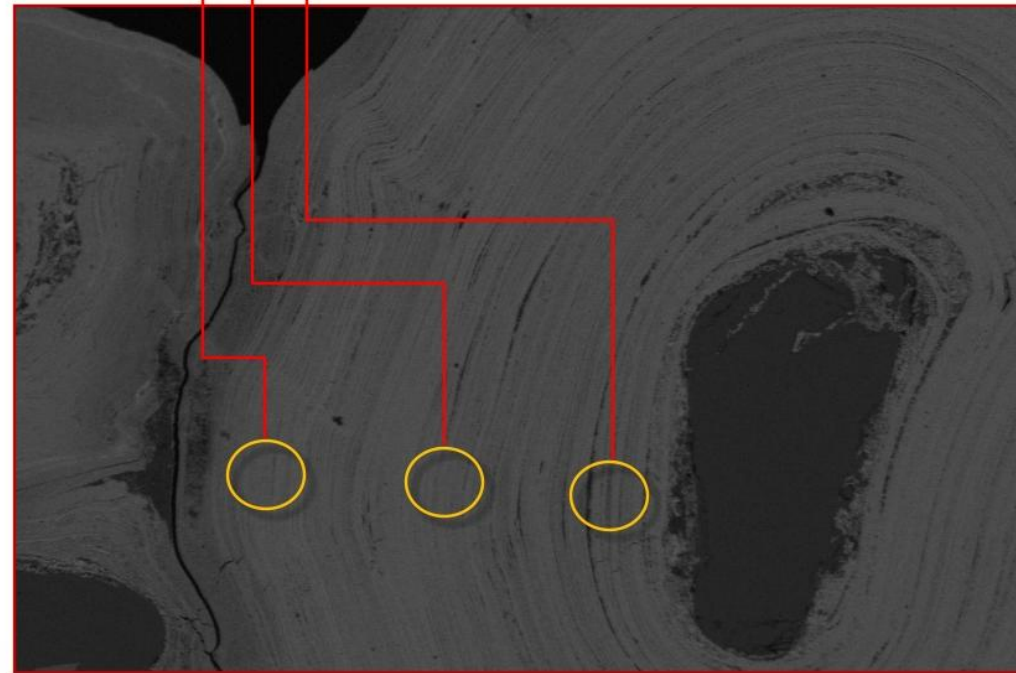
Long Section of W Deposit – looking at the strike



Preliminary Metallurgical Testwork

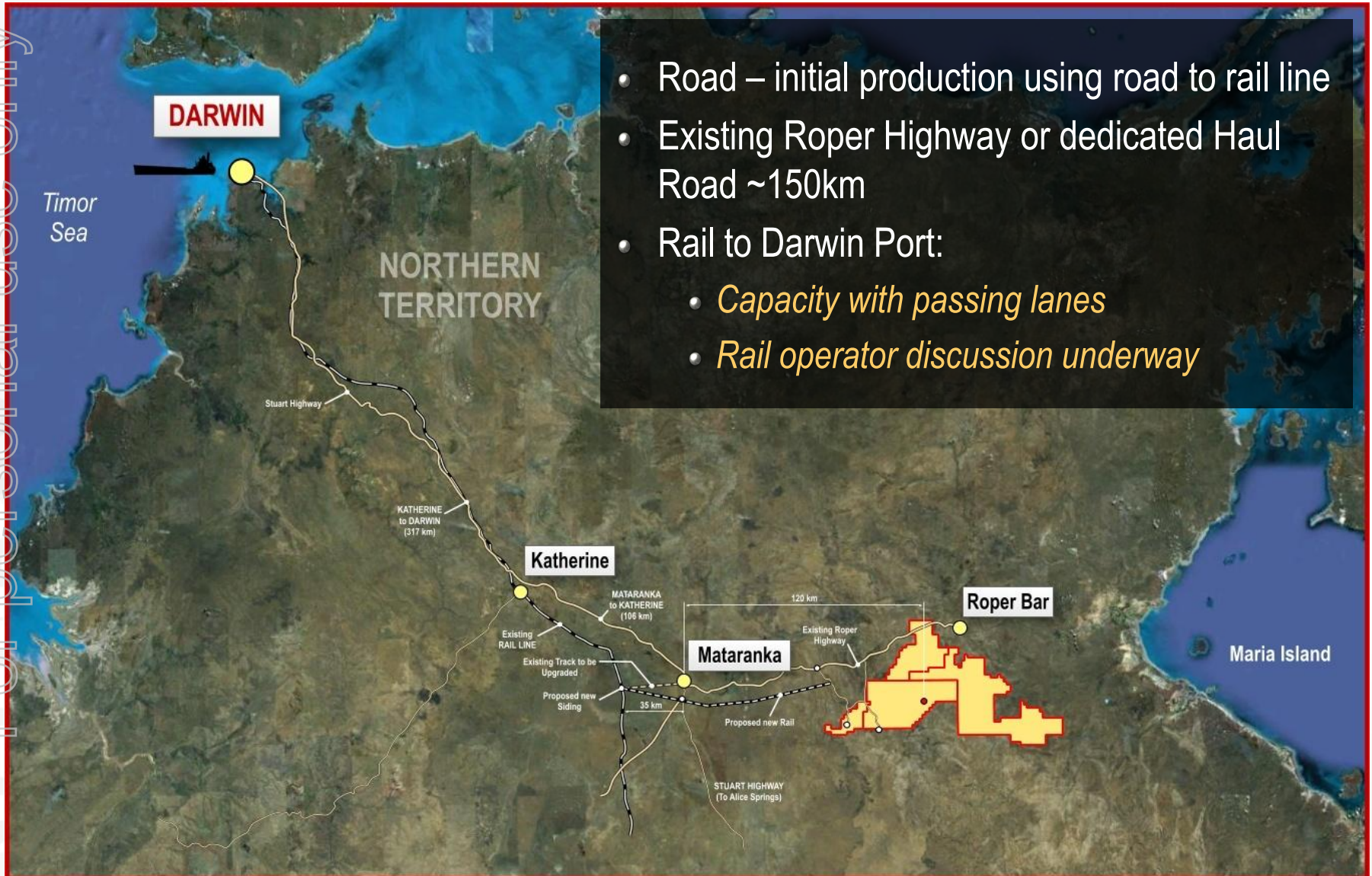
- Preliminary testwork undertaken on bulk samples
- Demonstrates enhancement of Fe and reductions in silica by conventional crushing to less than 10mm, followed by DMS
- First pass upgrading – delivered Fe of 59%, SiO₂ less than 10% (Al₂O₃ circa 2.3%), with recoveries exceeding 90%
- *Significant scope for further enhancement*
- More detailed testing will be based on PQ diamond drill core over the next few months

SPECTRUM							
O	Mg	Al	Si	Cl	K	Mn	Fe
33.19		0.63	0.57				69.06
33.18		0.64	0.47				72.11
33.13		0.78	0.63				70.59



The Second Ingredient: Logistics – Mine to Port

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- Road – initial production using road to rail line
- Existing Roper Highway or dedicated Haul Road ~150km
- Rail to Darwin Port:
 - *Capacity with passing lanes*
 - *Rail operator discussion underway*

The Third Ingredient: Logistics – Port



Darwin Port – Heads of Agreement

- Reclaiming stockpile area gives immediate +2Mtpa capacity
- Further capacity expected to become available
- Improvement and expansion plans to deliver substantial capacity increases longer term

Indicative Development Timetable – Hodgson Downs

	2010		2011				2012				
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Initial JORC	■										
Scoping Study	■										
Logistics Discussions/MOU's	■										
Feasibility Study		■									
Bankable Feasibility Study			■								
<i>Production Preparation:</i>											
- Port (3 rd party)				■							
- Railway (3 rd party)				■							
- Roads				■				■			
- Mining/Plant								■			
Environmental Approval								■			
MLA								■			
Production Commencement										◆	

The Fourth Ingredient: The Market

- Heads of Agreement with leading Chinese steel mill Jiangyin Huaxi Steel Co Ltd for potential off-take of 1Mtpa for 5 years
 - *Subscribed for \$4.8M placement*
- Strong interest from other Asian-based steel companies seeking off-take opportunities
- Independent analysts forecast continuing strong demand for Australian iron ore from Asian steel mills
- Chinese steel mills keen to diversify supply away from the world's "Big Three" iron ore producers
 - *Also provides geographic diversification*



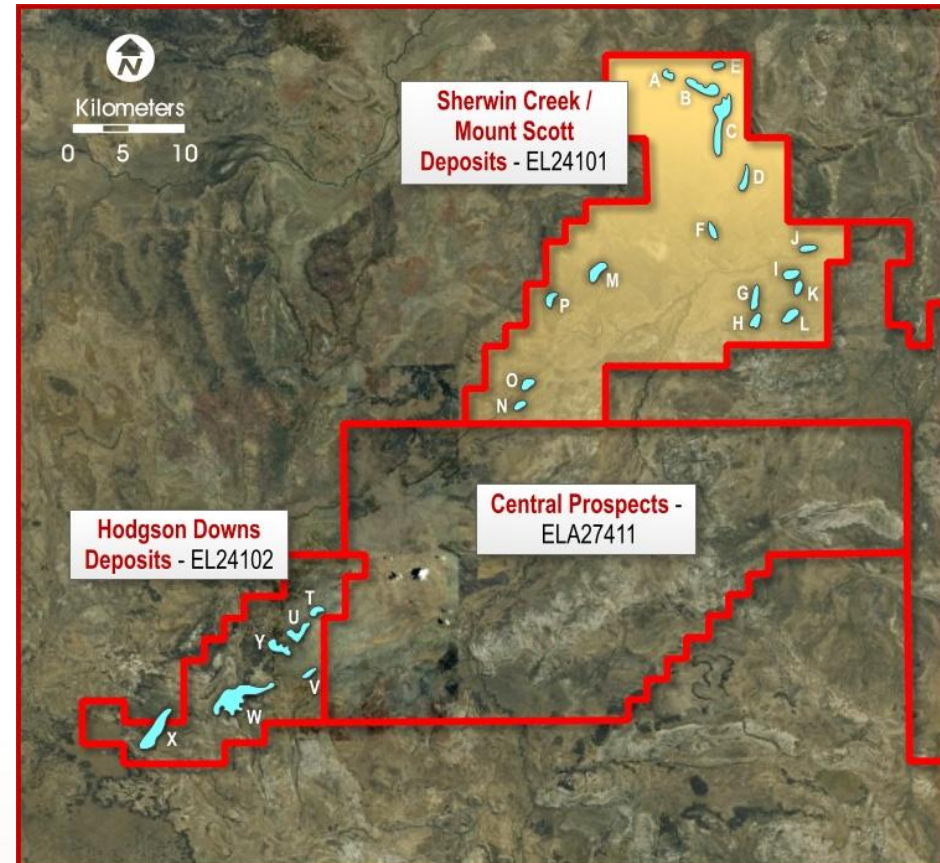
Large Scale Development Potential

Hodgson Downs Deposits

- Initial production in 2012, initially 2Mt pa with ramp-up to follow
- Will support a much larger, long term operation

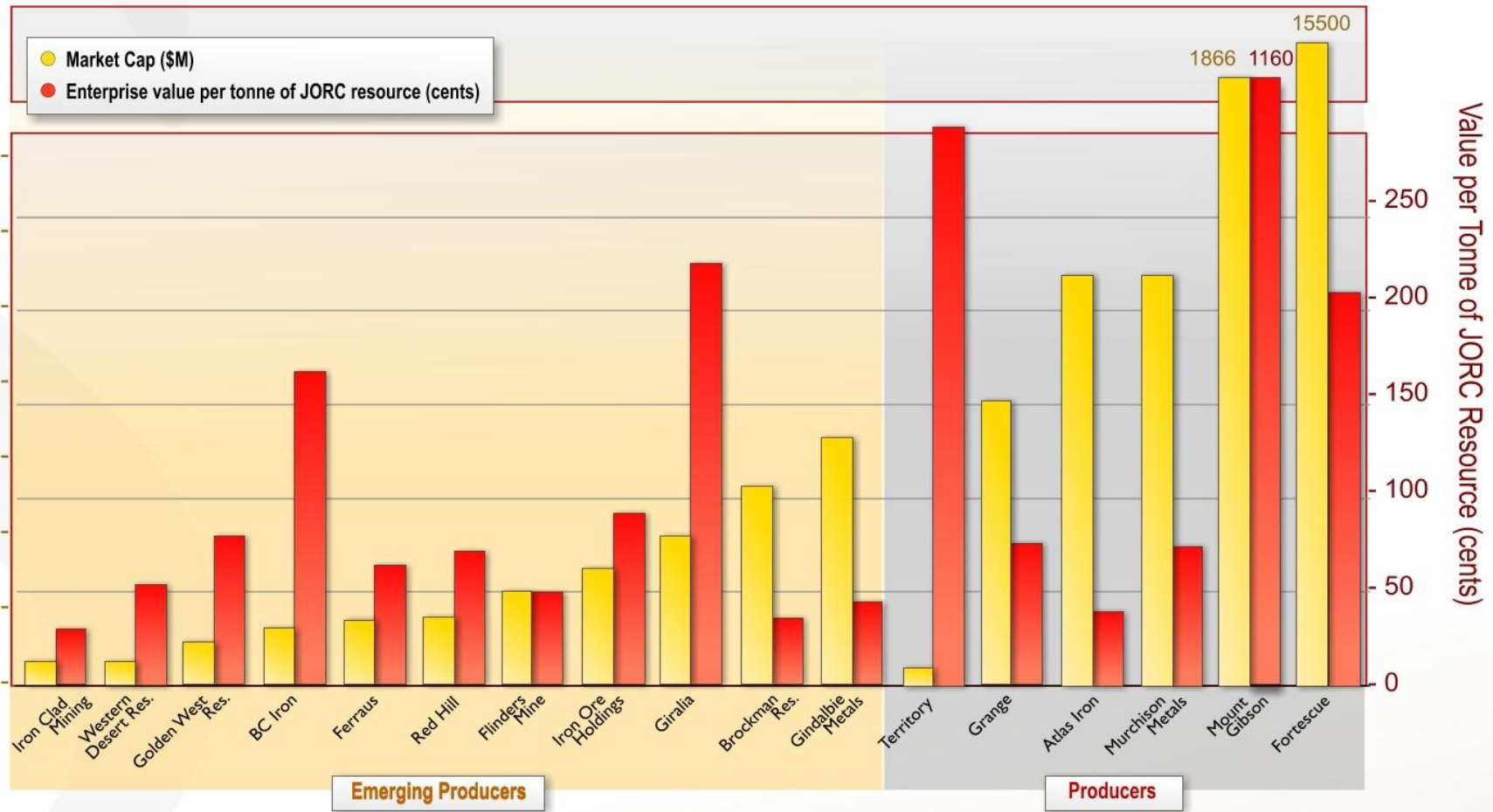
Sherwin Creek/Mount Scott Deposits

- Upside potential 10Mt+ pa operation
- Potential for rail spur
- Darwin Port – existing capacity, capacity to become available in 2013 and planned upgrades deliver substantial capacity
- Innovative thinking about Gulf of Carpentaria as an additional transport route



Comparative Iron Ore Valuations – The Opportunity

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Source: Company Announcements and Reports; share prices as at 31st Aug 2010

Corporate Overview – Ownership and Board

Current Shareholders¹

Issued Ordinary Shares	153M
Listed Options	67M
Unlisted Options	43M

(1) As at 1 Sept 2010, based on undiluted ordinary shares

Post Acquisition²

Issued Ordinary Shares	303M
Listed Options	167M
Unlisted Options	43M

(2) Pro-forma for shares issued upon completion of the Roper River Iron Ore Project

Board

- Terry Smith – *Chairman*
- Neil Biddle
- John W. Barr
- Michael Bowen

Management

- Neil Biddle – *Technical Director*
- Greg Bittar – *CEO*
- John Berry – *Project Development*
- Tony Ryall – *Exploration Manager*



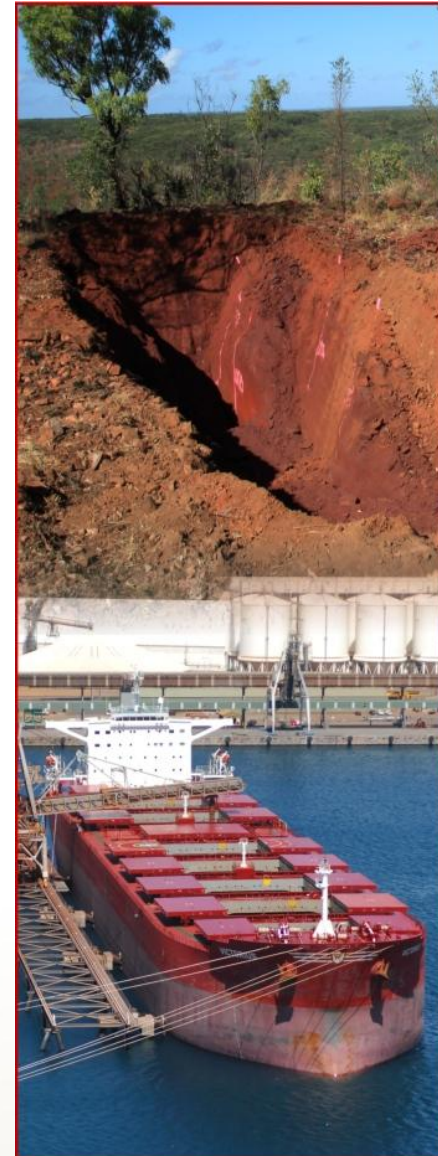
Summary – A World Class Opportunity

Short Term Production

- Previously identified deposits
- Existing infrastructure with capacity
- No major environmental impediments identified
- NT Government and Northern Land Council support
 - *Continued focus on ensuring full support and involvement of the Traditional Owners*
- Mining principles prescribed in Exploration License (EL 24102)

Project Potential

- Sherwin Creek and Mount Scott
 - *Additional identified deposits, conveniently located to infrastructure supporting Hodgson Downs*
- Central and Eastern prospects
 - *Extensive unexplored land area extending east to neighbor Western Desert's Roper Bar Iron Ore Project*



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