SHERWIN IRON

ASX Announcement

5 September 2011

Roper River resource soars 58% to 168Mt at 44.7% Fe

- **Maiden inferred resource estimate at Mt Fisher of 15.6Mt at 44.0% Fe**
- **Maiden Sherwin Creek Resource expected late October 2011**

Sherwin Iron Limited (ASX: SHD) is pleased to announce a substantial increase in the resource estimate for its Roper River Iron Ore Project in the Northern Territory, with the overall tonnage of hematite mineralisation increasing by 58 per cent to 168 million tonnes at 44.7 per cent Fe.

The upgraded resource inventory is comprised of oolitic hematite style mineralisation. The increase in the resource estimate at Hodgson Downs has resulted from additional drilling along strike of the previously announced resource and the maiden estimate at Mount Fisher follows drilling undertaken to test historical targets.

The Mineral Resource estimate was prepared by SRK Consulting (Australasia) Pty Ltd (SRK) and is summarised in Table 1 below. Full details can be found in Appendix A.

Table 1 – Global Mineral Resource

Historical Deposit	Category	Tonnes (Mt)	Fe (%)	Al_2O_3 (%)	P (%)	SiO_2 (%)	Cut Off Grade (% Fe)
New Resources							
T,U,Y	Inferred	46.0	39.9	2.8	0.07	19.0	35
M	Inferred	15.6	44.0	4.4	0.13	26.9	35
Previous Resources							
W	Indicated	32.7	47.4	2.7	0.08	20.4	40
W	Inferred	50.8	45.5	2.5	0.07	19.7	40
X	Indicated	23.0	49.3	2.3	0.09	17.2	40
Combined	**Total Resource**	**168.1**	**44.7**	**2.8**	**0.08**	**20.0**	-

The Mineral Resource estimates were carried out in accordance with the guidelines of the JORC Code (2004) by SRK.

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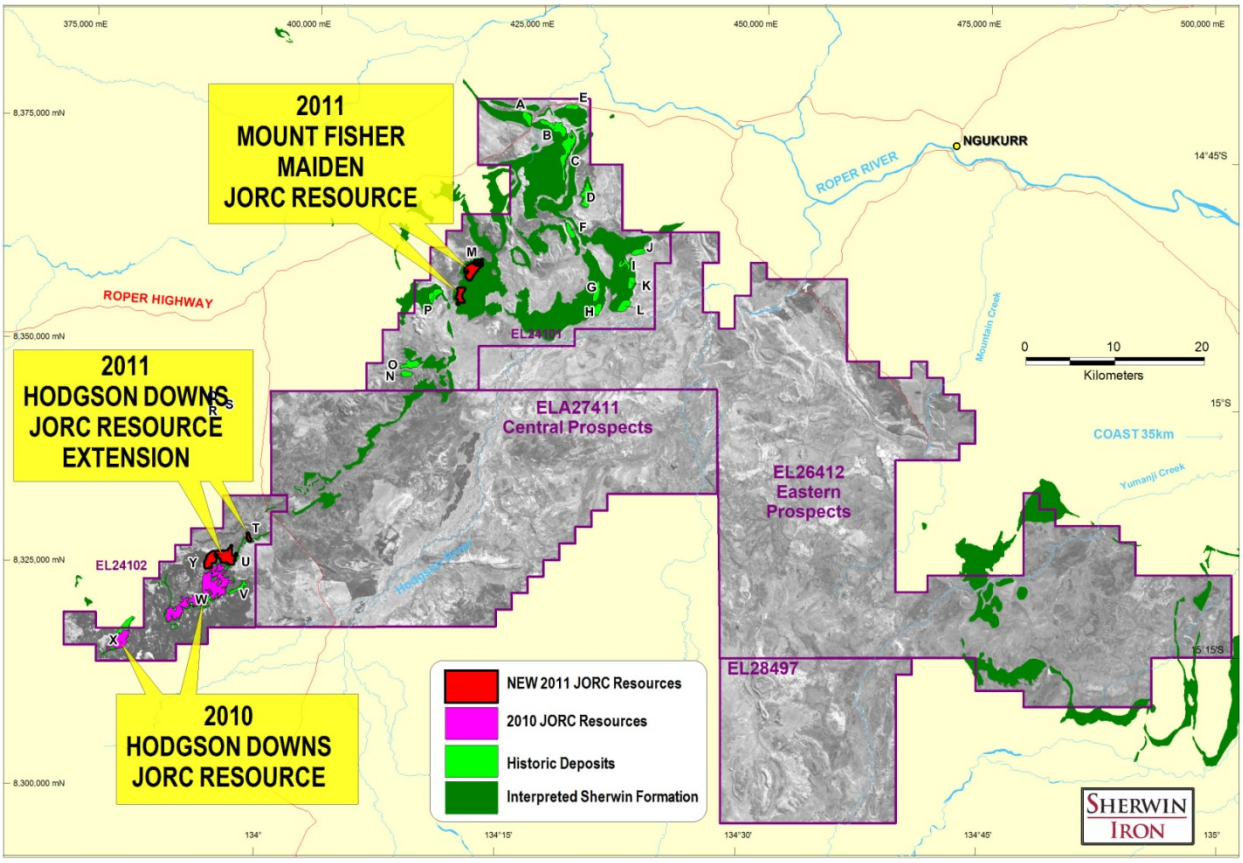

Figure 1: Roper River Iron Ore Project showing Mineral Resources

Hodgson Downs

The total resource estimate for Hodgson Downs has increased to 152.5Mt at 44.8 per cent Fe, representing a significant increase on the previously announced resource estimate of 106.5Mt at 46.9 per cent Fe.

The additional inferred resource of 46.0Mt at 39.9 per cent Fe for Deposits T, U and Y extends north-east from the previously reported mineralisation. The extended resource uses data obtained from RC and diamond holes drilled on a nominal 400 metre by 200 metre spacing. Drill plans showing the location of the extended resource are shown in Figures 1 and 2 and a cross section presented in Figure 3.

The Hodgson Downs resource occurs as a geologically well defined horizon of oolitic hematite defined by geological interpretation and using nominal grade constraints of 40 per cent Fe for Deposits W and X and 35 per cent for Deposits T, U and Y.

The hematite mineralisation is typically 3 to 4 metres in thickness, outcrops at cliff faces and dips gently away to the north-west at 5 to 8 degrees. The lower cut off grade is related to the visually identifiable contact between the oolitic hematite and the unmineralised stratigraphic units above and below the resource.

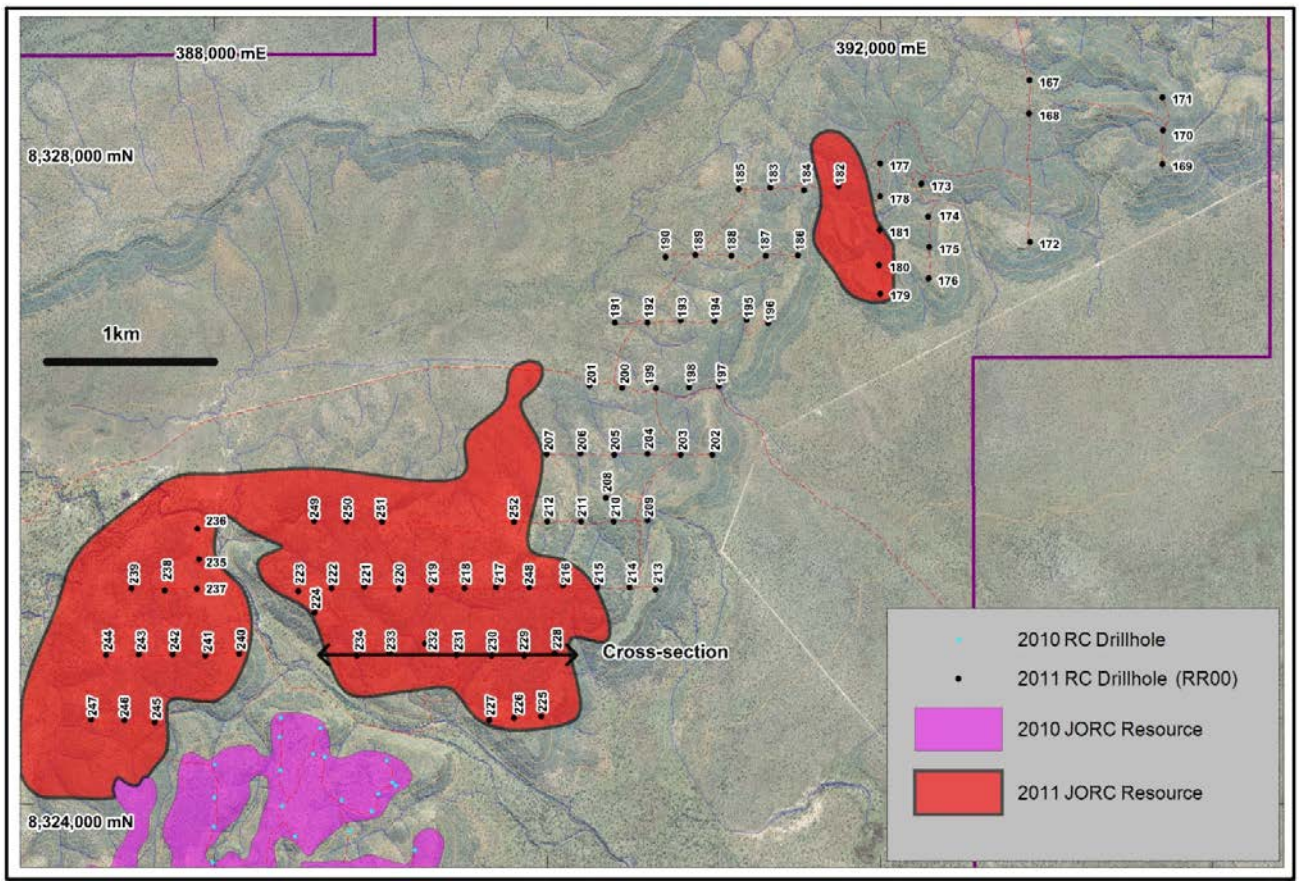

Figure 2: Hodgson Downs Mineral Resource upgrade (COG 35% Fe)

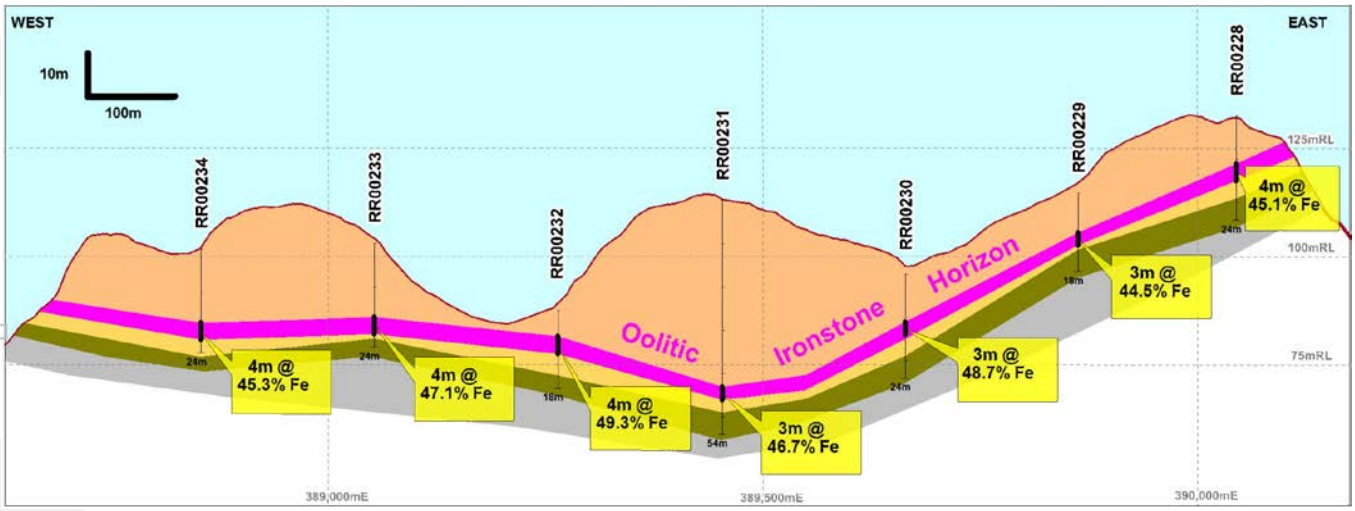

Figure 3: Section 8324900mN Hodgson Downs T, U and Y (COG 35% Fe)
(see Figure 5 for legend)

Mt Fisher Resource

At Mt Fisher, located on EL24101 approximately 20kms north-east of Hodgson Downs, a maiden Mineral Resource estimate of 15.6Mt at 44.0 per cent Fe (inferred) has been determined using data from a recent program of RC and diamond drilling supported by cliff face mapping of the oolitic hematite bed.

The resource extends 5km south from the historic BHP Deposit M along the western side of a mesa. The oolitic hematite mineralisation at Mt Fisher is between 2 metres and 4 metres thick and dips shallowly east at around 5 to 7 degrees. A major offset strike slip fault divides the resource into a northern higher grade and southern moderate grade portion.

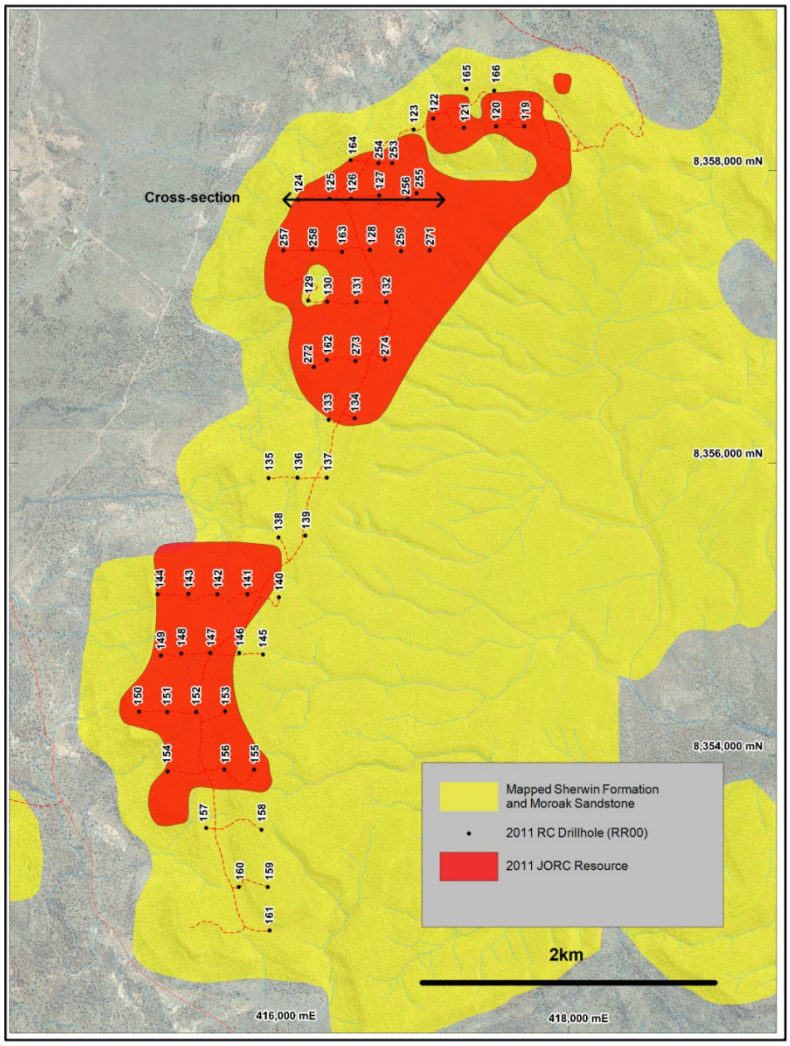

Figure 4: Mt Fisher Mineral Resource (COG 35%)

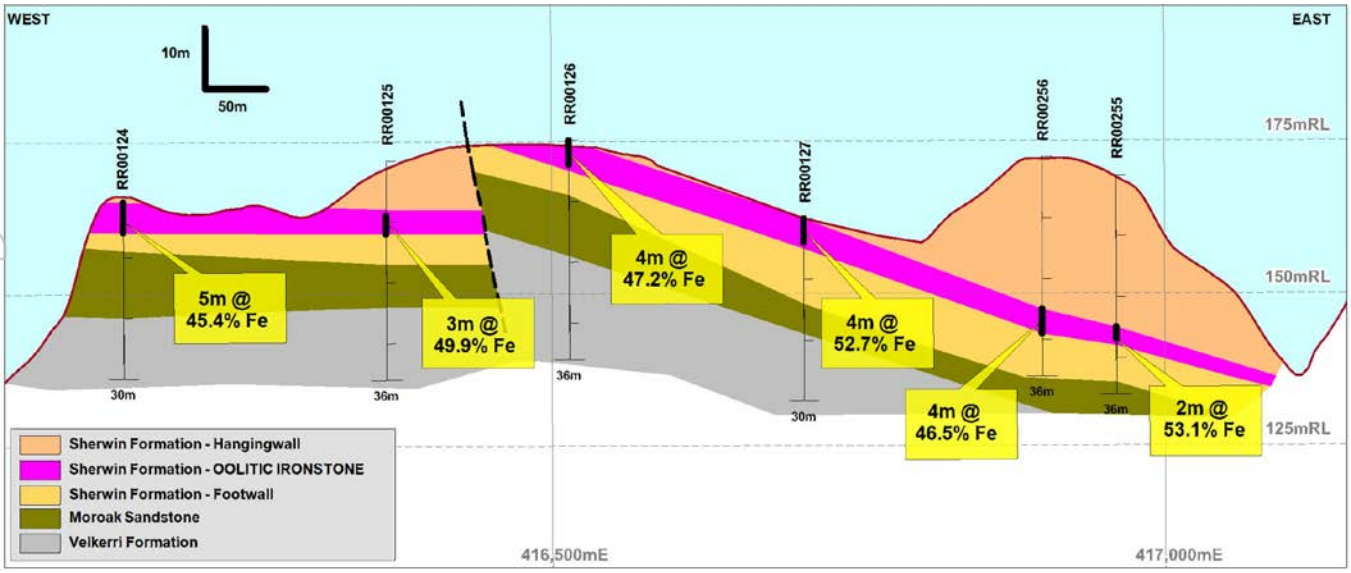

Figure 5: Section 8357800mN Mt Fisher (COG 35%Fe)

The Company expects to release a further resource upgrade in late October together with an increased Exploration Target for the Project area.

Appendix A: Resource Estimate Prepared by SRK

Hodgson Downs (Deposits T, U, Y)

Classification	Cut-off grade Fe%	Tonnes	Fe%	SiO_2%	Al_2O_3%	P%	S%	MgO	LOI%
Inferred	30	80,000,000	36.7	23.1	3.6	0.07	0.10	3.6	14.3
Inferred	**35**	**46,000,000**	**39.9**	**19.0**	**2.8**	**0.07**	**0.09**	**3.2**	**15.0**
Inferred	40	20,000,000	41.8	17.2	2.5	0.07	0.09	3.2	15.0
Inferred	45	200,000	46.7	19.1	2.4	0.07	0.03	1.6	8.0
Inferred	50	30,000	51.7	19.1	2.7	0.06	0.01	0.1	2.5

Mt Fisher (Deposit M)

Classification	Cut-off grade Fe%	Tonnes	Fe%	SiO_2%	Al_2O_3%	P%	S%	MgO%	LOI%
Inferred	30	20,040,000	41.0	31.4	5.2	0.11	0.01	0.18	3.64
Inferred	**35**	**15,660,000**	**44.0**	**26.9**	**4.4**	**0.13**	**0.01**	**0.09**	**3.54**
Inferred	40	13,100,000	45.7	25.0	4.3	0.15	0.01	0.07	3.53
Inferred	45	8,910,000	47.6	23.1	4.0	0.16	0.01	0.06	3.4
Inferred	50	790,000	50.7	20.3	3.3	0.17	0.01	0.06	2.93

Appendix B: Assumptions and Limitations

Resources:

The following assumptions and limitations were placed on the Inferred Resource for both the TUY and M oolitic iron ore deposits (OIR) to ensure they meet with JORC (2004) guidelines (section 19), Reporting of Mineral Resources), in regard to having some potential for eventual economic extraction. The assumptions and limitations used are:

1. **Cut off grade.** The resource estimates for TUY and M have been reported at a cut off grade of 35% Fe. This decision was based on the geological cut off grade for the Oolitic mineralization (OIR) observed in the field and drill core. Both the hanging wall and footwall contacts for the OIR resource are clearly defined at this cut off, both visually and in assays.

2. **OIR thickness.** The thickness's used in the tonnage calculations are also based on the geological upper and lower contacts of the OIR horizon. These contacts constrain the estimate geologically. A minimum thickness of 1 meter has been used at a grade of greater than 35% Fe to define ore material.

3. **Density.** The tonnage calculations have been based on over 30 density measurements taken of the OIR material from diamond core data at different locations across the resource.

4. **Stripping ratios** (depth to ore). Whilst it is realised that stripping ratios will ultimately be based on the value of the ore in situ.; some consideration has been given not to extend the resource to unrealistic depths. In general the resource has been only taken to depths within 50 to 60m meters of surface where the stripping ratio of ore to waste is less than 1:9. Overall the stripping ratio does not exceed 1:8 for deposits TUY and 1:4 for deposit M. A detailed topographic surface has been used along with a 3D model of the mineralisation to accurately determine the ratios.

5. **Contaminants.** In general the deleterious elements other than silica are well within industry norms for a marketable product for all resources quoted, the average for the whole resource being Al2O3 2.55%, P 0.07%, SiO2 19%.Silica levels in the product cannot exceed 8%, so beneficiation is required.

6. **Beneficiation Results**. Beneficiation test work has to date only been carried out on higher grade test samples above a cut off feed grade of 45% Fe; to give a product of 62% Fe, 2.1% Al_2O_3, and 7.3% SiO_2, No work has been completed on lower grade samples between 45 to 35% Fe. Further test work is required to test whether the lower grade material is upgradable to a marketable product.

7. **Resource boundaries**. In many instances the boundaries of the deposits are exposed. Where no boundary has been defined by observation or closed off by negative drill hole results, then the resource has been extended to one half of the average drill hole spacing beyond the outer drill holes. This approximates to a distance of 200 meters which is well within the distance of the longer range structures seen in the variography for iron. Given the good lateral grade continuity observed in the deposit, this is considered a reasonable extension distance.

8. **QA/QC**. Based on QA/QC work for both assays and density determinations, SRK are of the opinion that the sampling and assaying is reflective of the true grades of the reverse circulation and diamond core taken throughout the resource, and that there are no serious issues with sample or analytical bias.

9. **Grade tonnage curve**. To show the impact of different tonnages and grades at different cut–offs , tabulated data at a range of cut off grades is included .

10. **Economic and Mining Considerations**. The revised production plan for the project is to mine such of the resource that is economic, beneficiate the feed to a saleable product, rail this to Darwin, and ship it. Many of the project's controlling factors, like exchange rates, and the market for iron ore are unpredictable. Several others, like freighting and shipping have not yet been studied. It is thus difficult to be definite about economics, and therefore what may constitute a resource. SRK have used what Sherwin have already done on the original project plus data from other projects, to try and assess the limits of what may reasonably be economic. Much of this particular very large resource is only moderately profitable, although, there are significant easily selectable parts that could be very profitable.

Competent Persons Statements

The information in this report that relates to mineral resource estimation is based on work completed by Mr Peter Gleeson who is a member of the Australian Institute of Geoscientists and Mr Roger Pooley who is a member of the Australian Institute of Mining and Metallurgy. Both Mr Gleeson and Mr Pooley are full time employees of SRK Consulting (Australasia) Pty Ltd. Mr Gleeson 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 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 Pooley has over twenty years relevant experience in iron ore and other bulk commodities and is a competent person with regard to evaluating iron ore projects. Both Mr Gleeson and Mr Pooley consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The exploration data and geological interpretations on which the Mineral Resource estimate is based have been compiled by Mr Tony Ryall who is a member of the Australian Institute of Mining and Metallurgy. Mr Ryall is a full time employee of the Company 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 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 Ryall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.