

ASX ANNOUNCEMENT

Cancellation of Rights Issue

The Board of Sherwin Iron Limited has resolved to cancel the current rights issue. All subscriptions received will be refunded to shareholders as soon as possible.

Requirement for Funds

The Company's Managing Director, Mr Ren, has re-assessed the budgets of the previous management. It was concluded that the amount of funding required in the short term is less than was previously determined. As a result, the Board has decided that it is in the Company's best interest to cancel the current rights issue.

Vendor Consideration for Ore Payments

Under the Roper River Project Purchase Agreement, the Company is required to pay additional consideration to the vendors at the time that ore in the tenements is classified as an "Inferred Mineral Resource under the JORC Code". This consideration is currently payable by cash or the issue of additional shares to the vendors.

The Independent Directors have entered into negotiations with the vendors to find an alternative to the current JORC payment arrangements. This request for variation is made in order to simplify the Company's capital structure.

Please contact Brett Crowley (Company Secretary) on 02 88233174 for further details.

Barry Coulter
Chairman