

2011 Annual General Meeting

Attached are the Chairman's Report and the Managing Director's Report delivered today at the Company's Annual General Meeting

Brett Crowley
Company Secretary

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Chairman's Report – Mr Barry Coulter

I would like to begin by updating you on changes that have taken place in your company over the past few months and how your new Board is working to move Sherwin Iron Limited into a new phase.

Board Renewal

As we move from an explorer to a miner, a number of Board changes have brought together an invigorated team to take our company forward.

As a long-term Northern Territorian and former Government Minister, I was pleased to accept the Board's endorsement as Chairman on 1 October 2011.

James Henderson, who is also a Director of Transocean, also joined the Board as a new Director on 20 July this year.

I would like to thank retiring Chairman Terence Smith and Directors Greg Bittar and Michael Bowen for their service to the company over a number of years.

Relocation of head office to Darwin

Sherwin is presently operating in three locations – with a head office in Perth, two directors in Sydney and a project based out of Darwin. As we move to the next stage of development, it is prudent that we relocate our Head Office to Darwin.

An office has been established at 4 Shepherd Street in the Darwin CBD and I have been working with the Board to put together our management and consulting team. We are presently in the process of recruiting key new employees to take the project forward, including a new CEO.

We will maintain a small office in Perth for our geologists and mining engineers to liaise with specialists consultants only available in Perth.

Peer Review

With new Directors in place and changes in our management structure, the Board deemed it prudent to undertake an assessment of our position, including work undertaken to date in terms of exploration, community and stakeholder engagement and legal arrangements.

The Board engaged Henry Bosch AO to undertake a review of our corporate governance, potential conflicts and the structure of the company. Henry has a well-deserved reputation as an expert in and advocate for good governance and is a former head of the National Companies and Securities Commission.

While his review found corporate governance of Sherwin Iron was essentially sound, Mr Bosch made 17 recommendations, all of which the Board has agreed to adopt.

In terms of the project itself, West Swan Technical Services Group in Western Australia was engaged to review a range of technical and strategic reports and data to ensure our project is well on track.

Our Managing Director will give more detail about their preliminary findings in his address to the Board soon, but I am pleased to say they gave the Board a great deal of comfort in moving ahead.

Acquisition Consideration

As announced on 26 October 2011, the negotiations with the vendors to amend the acquisition consideration are continuing. Any amendment will be subject to shareholder approval.

Cancellation of Rights Issue

In October, we went to the market to raise additional capital for the project. As you know, we later cancelled the rights issue and some questions have been asked about why this was done.

The Board's decision followed an assessment of the capital required to move the project forward and it was the Managing Director's view that this would be less than originally anticipated by the previous management.

It was therefore in the company's best interests to cancel the right issue.

Exploration

You would be aware from our exploration reports that the Inferred Resource is now estimated at 480 million tonnes. Exploration has now temporarily ceased as the Wet season moves into the Top End and will recommence again in the Dry.

Traditional owners and the Northern Land Council

We are in negotiations with the Northern Land Council, who are now assessing all aspects of the project. Traditional owners are in the process of being identified.

Transport Options

A transport corridor is being identified.

Statutory Approvals and Obligations

Moving a project like this to the production stage necessarily involves a rigorous approvals process through various Government agencies. Preliminary environmental work towards an EIS has commenced and we continue to work through our other statutory obligations.

Managing Director's Report – Mr Jerry Ren

First, let me thank our Chairman Barry Coulter for taking on this challenging role in our company. Barry is a very experienced Director and Chairman who is already making a big difference in ensuring Sherwin reaches its full potential as a miner in the Roper region.

Peer Review

As our Chairman has already outlined, your Board has moved to ensure we are in the best position to make the transition from explorer to miner over the coming period. Barry has already outlined the review of our governance and structure and I would like to outline some of the work we have been undertaking to review the project itself.

West Swan Technical Services Group in Western Australia was engaged to review a range of technical and strategic reports and data to ensure our project is well on track earlier this year. West Swan is a specialist mining consulting firm with significant experience in projects of this type.

Their work includes a project status review comprising:

- Current technical data
- Review of scoping study document
- Review of current metallurgy and process
- Definition of report resource
- Strategic consideration
- Development schedule, and
- Statutory approvals

They also reviewed a scoping study to define limited operating scenarios and high level strategic cases for consideration including:

- Adequate definition of the resource
- High level study to evaluate a range of conceptual but realistic operation scenarios considering mining, processing, transport and shipping
- Adequate representative metallurgical test work and marketing studies to identify likely process, route, yield, process costs, product specifications and likely revenue
- Benchmarking of mining transport and other non process operating costs
- Benchmarking of capital costs for each scenario
- Financial analysis, and
- Finalisation of the scoping study.

Employment of Key Staff in Darwin

Within the next few weeks our new head office will open in Darwin, an important milestone in taking the project forward. We are presently in the process of recruiting our new CEO and an announcement will be made shortly.