

SHERWIN

IRON

4/4 Shepherd St Darwin NT 0800
Phone: 08 89413844
Fax: 08 89414355
www.sherwiniron.com.au

ASX ANNOUNCEMENT

INFILL DRILLING PROGRAMME TO TARGET DSO RESOURCES

As part of the in-house review that has been undertaken over the last couple of months, an analysis of previous drill results has been conducted over Deposit C (Sherwin Creek) and Deposits W and X (Hodgson Downs). Based on this, Sherwin Iron has contracted Cheyne Drilling to conduct an infill drilling programme (attachment Maps 2 and 3) commencing in early April 2012, subject to no additional rain. Site preparation is well advanced and the objective of the infill program is to upgrade the current Inferred Mineral Resources to Indicated Mineral Resources on both W and X deposits.

Previously Sherwin defined 23 Mt of Indicated Mineral Resources with an average Fe grade of 49.3% Fe in Deposit X and 84 Mt of Indicated and Inferred Mineral Resources with an average Fe grade of 46.1% Fe in Deposit W (ASX Announcement 5 September 2011 and 2011 Annual Report). These Mineral Resources were defined on a lower cut-off grade of 40% Fe (Table 1). A large, lower grade Inferred Mineral Resource at Deposit C (Sherwin Creek) has previously been announced as 320Mt at 40.1% Fe using a 35% Fe cut-off grade (ASX Announcement 10 November 2011).

The recent in-house review has identified continuous higher grade portions using a 55% Fe cut-off within the lower grade Mineral Resources in deposits C, W and X. The higher grade material is now being targeted as suitable for a Direct Shipping Ore (DSO) product. Higher grade Inferred Mineral Resources of 8.1Mt at 57.5% Fe in Deposit X and 7.4Mt at 57.5% Fe in Deposit W have been estimated (Table 2).

We have conducted initial conceptual mine planning work and identified the iron ore project development using a two stage approach:

- Stage one – DSO operations; and
- Stage two – Low grade beneficiation plant operations

The infill drilling program will target the higher grade portions of the deposits to improve our resource confidence for future mining studies and financial modelling.

A location map (attachment Map 1) shows Deposits X and W in the context of the Roper River Iron Ore Project. Mineral Resources and Exploration Targets located on the map are as shown in previous announcements. Details for Deposits X and W are as follows:

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Table 1. Hodgson Downs Deposits X and W – Total Lower Grade Resources

Deposit / Category	Cut-off (Fe %)	Bulk Density	Tonnes (Mt)	Fe (%)	Al ₂ O ₃ (%)	SiO ₂ (%)	P (%)	LOI (%)
Deposit X Inferred	40	2.71	23	49.3	2.3	17.20	0.088	6.28
Deposit W Indicated + Inferred	40	2.71	84	46.1	2.5	19.96	0.073	7.57
Total Deposits X and W	40	2.71	107	46.8	2.5	19.37	0.08	7.29

The Lower Grade Mineral Resource estimates were carried out in accordance with the guidelines of the JORC Code (2004) by SRK as at December 2010.

Table 2. Hodgson Downs Deposits X and W – Higher Grade DSO Mineral Resources

Deposit / Category	Cut-off (Fe %)	Bulk Density	Tonnes (Mt)	Fe (%)	Al ₂ O ₃ (%)	SiO ₂ (%)	P (%)	LOI (%)
Deposit X Inferred	55	2.7	8.1	57.5	2.0	12.64	0.10	2.33
Deposit W (North and South) Inferred	55	2.7	7.4	56.7	2.4	12.55	0.09	2.69
Total Deposits X and W	55	2.7	15.5	57.1	2.2	12.60	0.10	2.50

These Higher Grade Mineral Resource estimates represent a portion within the lower grade estimates in Table 1. The estimates have been conducted in accordance with the guidelines of the JORC Code (2004) by Sherwin Iron and audited by Coffey Mining as at March 2012.

Competent Persons Statements

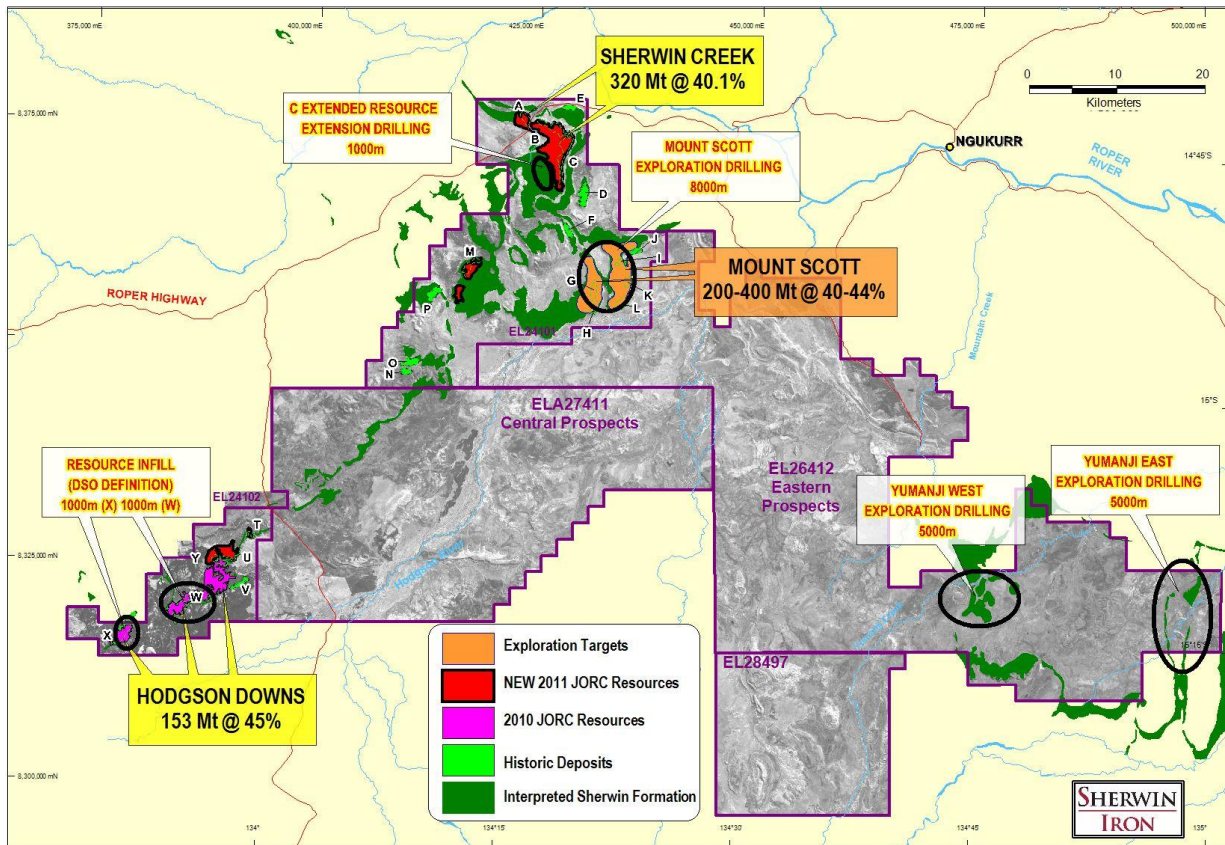
The information in this report that relates to the lower grade mineral resource estimation summarised in Table 1 is based on work completed by Mr Peter Gleeson who is a member of the Australian Institute of Geoscientists and Mr Roger Pooley who is a member of the Australian Institute of Mining and Metallurgy. 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 information in the report that relates to the higher grade DSO mineral resource estimation summarised in Table 2 is based on work completed by Sherwin Iron, and assessed and compiled by Mr David MacDonald who is a member of the Australian Institute of Geoscientists. Mr MacDonald is a full time employee of Coffey Mining Pty Ltd and has sufficient experience relevant to the style of iron mineralisation and type of deposits under consideration 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' (The 'JORC Code'). Mr MacDonald consents to the inclusion in the report of the of the matters based on his information in the form and context in which it appears.

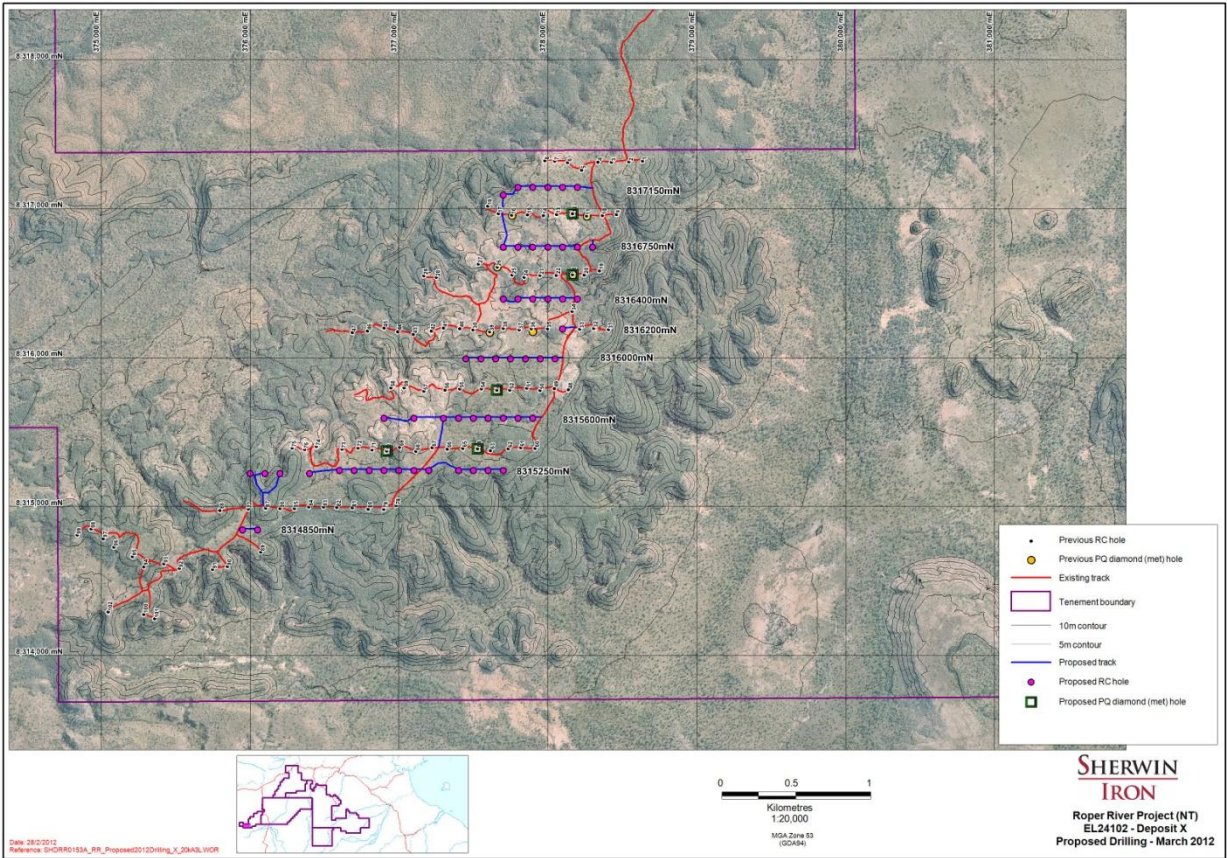
The exploration data and geological interpretations on which the Mineral Resource estimate is based have been compiled by Mr Tony Ryall who is a member of the Australian Institute of Mining and Metallurgy. Mr Ryall is a full time employee of the Company and has sufficient experience which is relevant 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.

Map 1 - Location Map

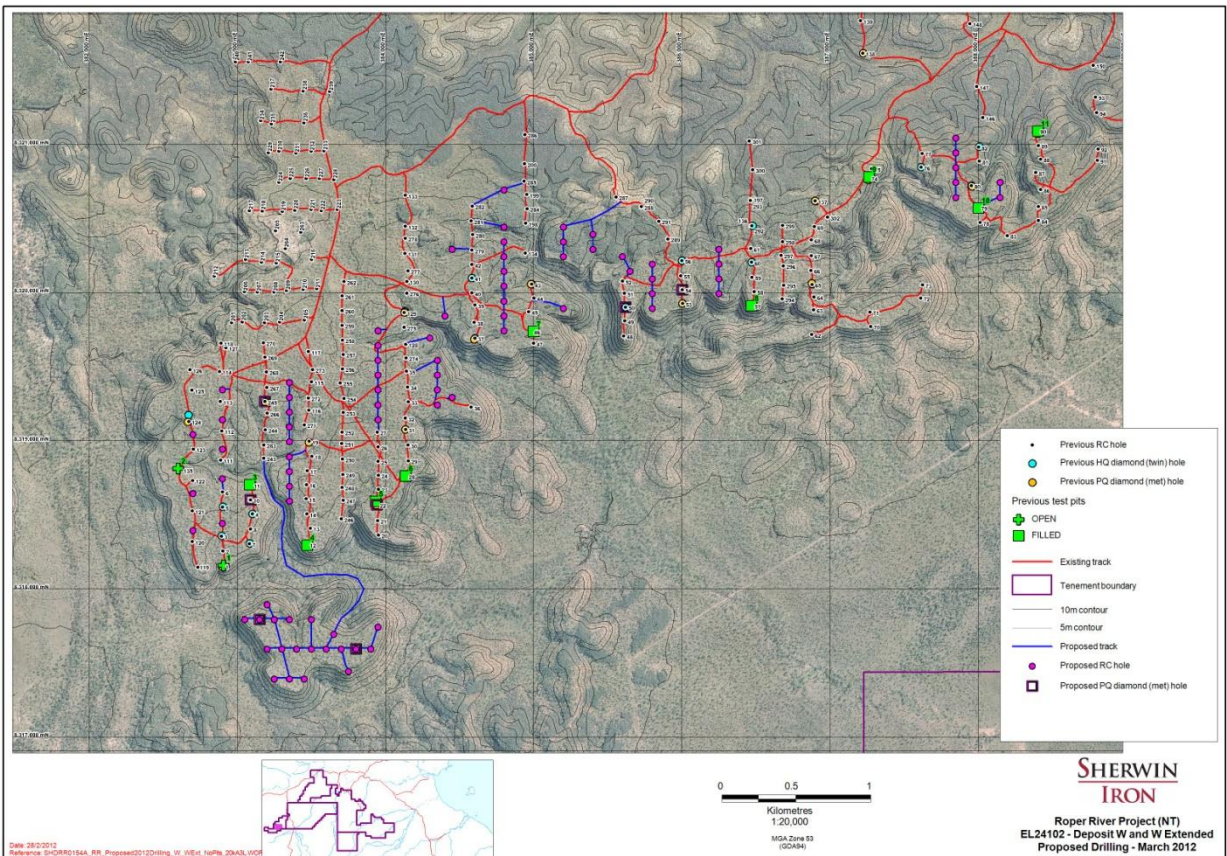


Roper River Iron Ore Project: Mineral Resources and Exploration Targets shown based on lower grade definition work previously announced. Higher grade (DSO suitable) Mineral Resources are within Hodgson Downs Deposits X and W.

Map 2 – X Deposit Infill Drill Holes



Map 3 – W Deposit Infill Drill Holes



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