

CASHMERE IRON

AGM 2012



*One of the largest undeveloped
Iron Ore deposit in the Mid-West
region of Western Australia*





Proxy Votes – AGM 29 November 2012

	RES 1	RES 2	RES 3
FOR	150,622,340	150,622,340	150,622,340
AGAINST	-	-	-
ABSTAIN	-	-	-
OPEN	871,429	871,429	871,429
INVALID	-	-	-
TOTAL	151,493,769	151,493,769	151,493,769





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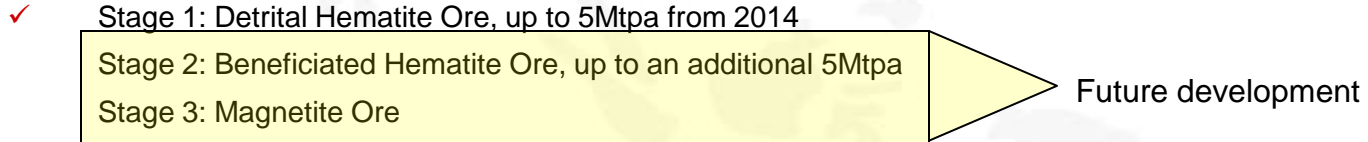
The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Allen J. Maynard and Brian J. Varndell, both of whom are members of the Australasian Institute of Mining and Metallurgy and is employed by AM&A. Allen Maynard and Brian Varndell both have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the JORC Code. Allen Maynard and Brian Varndell consent to the inclusion in this report this information in the form and context in which it appears.



Executive Summary



- ✓ Public company, formed in 2007 to explore and develop the Cashmere Downs Iron Ore Project.
- ✓ In excess of A\$18m spent in-ground on drilling, exploration and studies, with over 35,000mtrs drilled & assayed.
- ✓ Exploration to date of 14% of the BIF ridges, which has defined significant Hematite and Magnetite JORC resources in excess of 1BT.
- ✓ Stage 1 Hematite Detrital studies complete (Jan 2012) and DFS currently underway, due for completion second half 2013
- ✓ A staged mine development model based on the proposed near-term Hematite production initially which will help fund future phases of development



- ✓ A staged mining approach provides exposure to high iron ore prices sooner, without significant CAPEX upfront
- ✓ Port Allocation granted for the Esperance Port for 5Mt/pa from the new facility (expected completion 2014)
- ✓ Government owned, independently operated, open-access rail from Menzies to Esperance Port (526km)
- ✓ Highly experienced leadership team with proven track record in project delivery



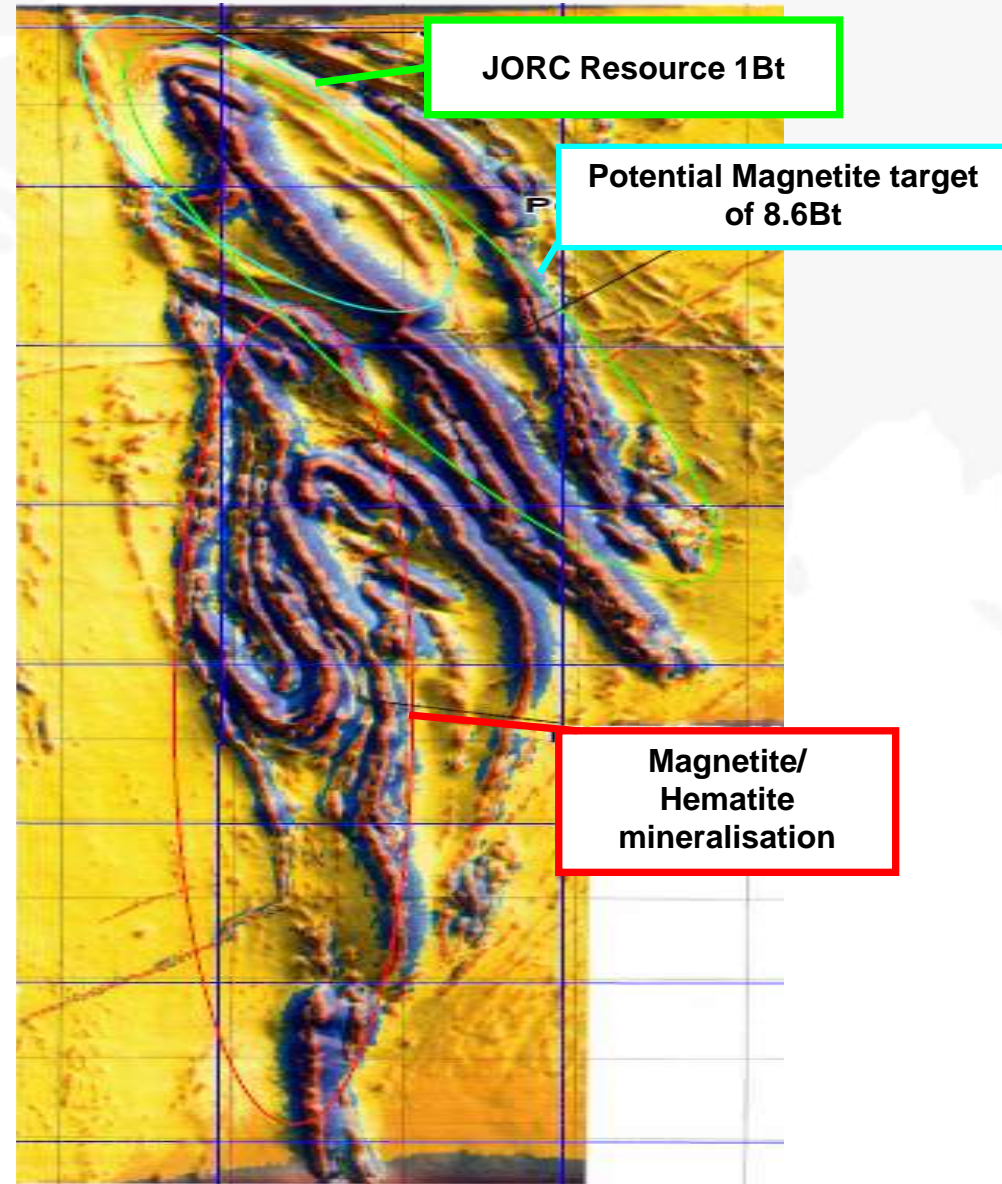
Key Studies 2011 - 2012



- Completion of Definitive Feasibility Study in New Esperance Port Iron Ore facility
- Site sampling of several Hematite outcrops
- Intensive Trench sample pits through detrital materials
- Testwork to determine Process route on Nodular detrital Hematite through Nagrom.
- Desk Top scoping study by ProMet engineers on Detrital Nodular hematite
- Discussions with Chinese Iron and Steel mills in China
- Runge Consultants in-depth assessment and inspection of the project area
- Positive Due Diligence completed by Runge Consultants for Chinese Interests
- Development of Logistics options for each stage of the project
- Study into slurry Pipeline options developing CAPEX and OPEX alternatives



Geology and prospectivity (project area)



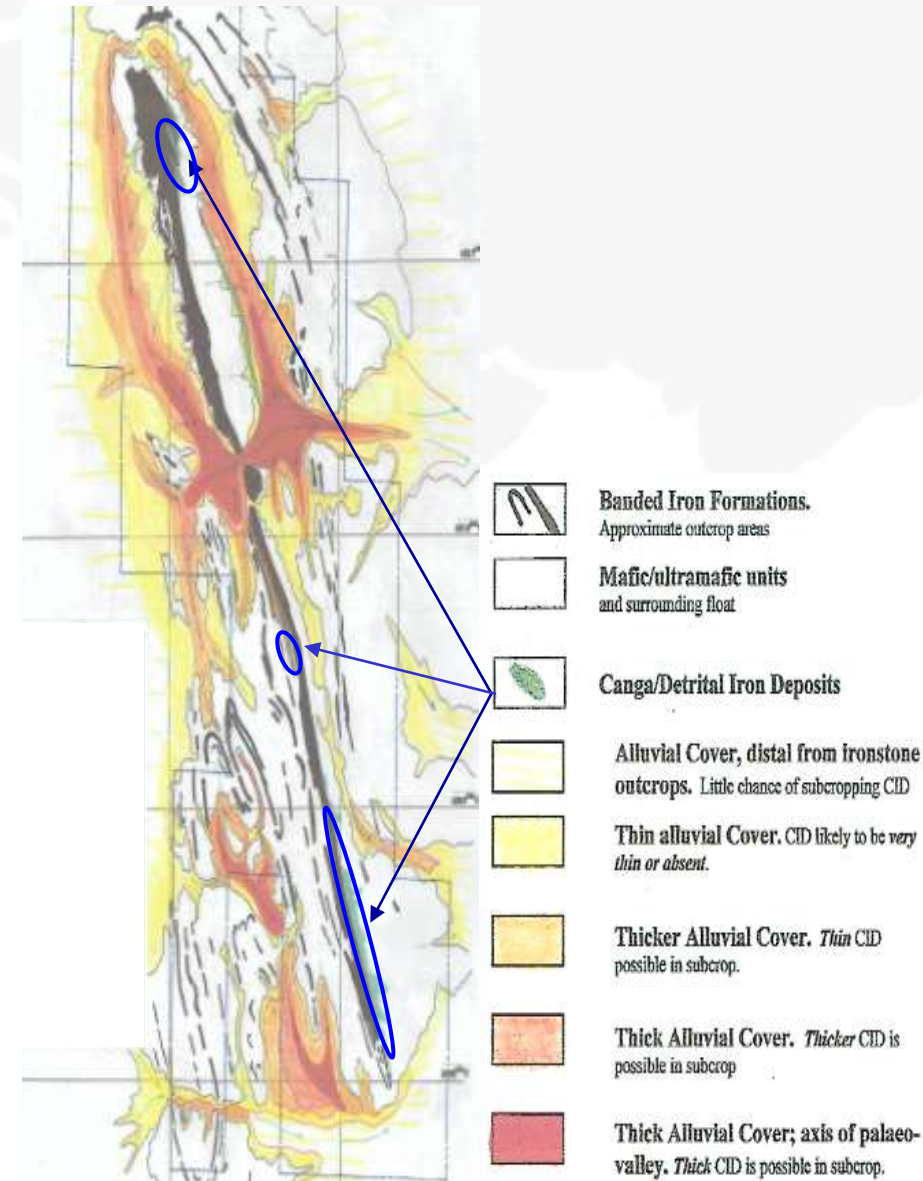
- ✓ 201km² over 5 tenements at Cashmere Downs
- ✓ 52km outcropping Banded Iron Formation (BIF) identified
- ✓ Exploration potential of 8.6Bt¹ calculated from 37km of the 52km outcropping BIF
- ✓ +1Bt JORC resource from 7.5km of 52km of BIF
- ✓ 42Mt Hematite Detrital Iron 'DSO' JORC Resource
- ✓ 14% of BIF ridges has been drilled to JORC status

1. *Independent geologist report, (Mackay and Schnellman 2010)*
2. *Details of the individual categories of the resource are set out on page 9.*

Significant resources, near-term production potential, one location with advanced infrastructure access solutions.



Geology and prospectivity (Hematite Detrital Resource)



- ✓ Detrital Iron found adjacent to Banded Iron Formations (shown in black)
- ✓ Thickness of up to 10mtrs at surface, formation continues for 52Km
- ✓ 42Mt JORC resource (blue circles) from 2 drill programs completed to-date for 8,775 meters
- ✓ Significant resource up-side potential exists
- ✓ 15km of outcropping BIF to be aggressively drilled post IPO for weathered Detrital material
- ✓ Forms basis for stage 1 production of 5Mt/pa from 2014



Summary of Mineral Resource



Proposed Development Stage	Resource Description	JORC Classification	Tonnage Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %
Stage One	Detrital Hematite >30% Fe	Indicated	42	37.8	33.8	6.6
	Other BIF >30%	Indicated	3	43.7	22.9	6.4
Stage Two	BIF Hematite >20% Fe	Measured	42	33.5	48.5	0.6
		Indicated	137	32.9	49.3	0.6
		Inferred	13	31.3	51.2	0.8
Stage Three	BIF Magnetite >20% Fe	Measured	160	33.4	48.3	0.4
		Indicated	597	32.5	49.4	0.5
		Inferred	65	31	51.1	0.5
TOTAL		Measured & Indicated	981Mt	33	48.5	0.8
		Inferred	78	31.1	51.1	0.6

Proposed Development Stage	Resource Description	JORC Classification	Tonnage Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %
Stage Two	BIF Hematite >20% Fe	Reserves	166	33.8	48.1	0.6

Note that Reserves are a sub set of the Resource above, not additional



Product Specification



Proposed Development Stage	Product	Weight Recovery	Product Grade	SiO ₂
Stage One: Detrital Hematite	Lump and Fines	40%	60.4% Fe	7.80%
Stage Two: Hematite BFO concentrate	Concentrate	42%	63.7% Fe	<8%
Stage Three: Magnetite concentrate	Concentrate	43.7%	68.5% Fe	<4.5%

- ✓ ProMet Engineers estimate the Stage Two, Hematite BFO product to be at a final grade of 65%
- ✓ In Stage Three, the plant weight recovery percentage of 43.7% corresponds to a high plant concentrate grade of 68.5%
- ✓ A readily marketable highly demanded product, with low silica content and lack of contaminants such as asbestos, aluminum and titanium



Staged Development Model



A staged development approach delivers near-term detrital hematite production, providing exposure to high iron ore prices sooner, without significant Capex upfront

STAGE 1 - HEMATITE Detrital ore (5Mtpa)

- Current detrital ore JORC resource of 42Mt
- Targeting production up to 5Mtpa in 2014
- Quality product – Fe 60%, 7.9% silica, 40% Wt recovery
- ProMet Independent expert desktop study (Jan 2012) and DFS underway (due 2nd half 2013)
- OPEX: \$59.32/t - \$68.48/t (range represents effect of feedstock quality)
- CAPEX: A\$130m
- Aggressive exploration post-IPO

STAGE 2 - HEMATITE BFO (5Mtpa + 5Mtpa)

- JORC 192Mt cap material resource
- 166Mt in Probable Reserve category
- Targeting additional production of up to 5Mt/pa from late 2015
- Quality product - Fe 65%, <4.5% silica, 42% Wt recovery
- Studies : Pre-feasibility study completed (Q2 2011) and DFS (due Q3/4 2013)

STAGE 3 - MAGNETITE

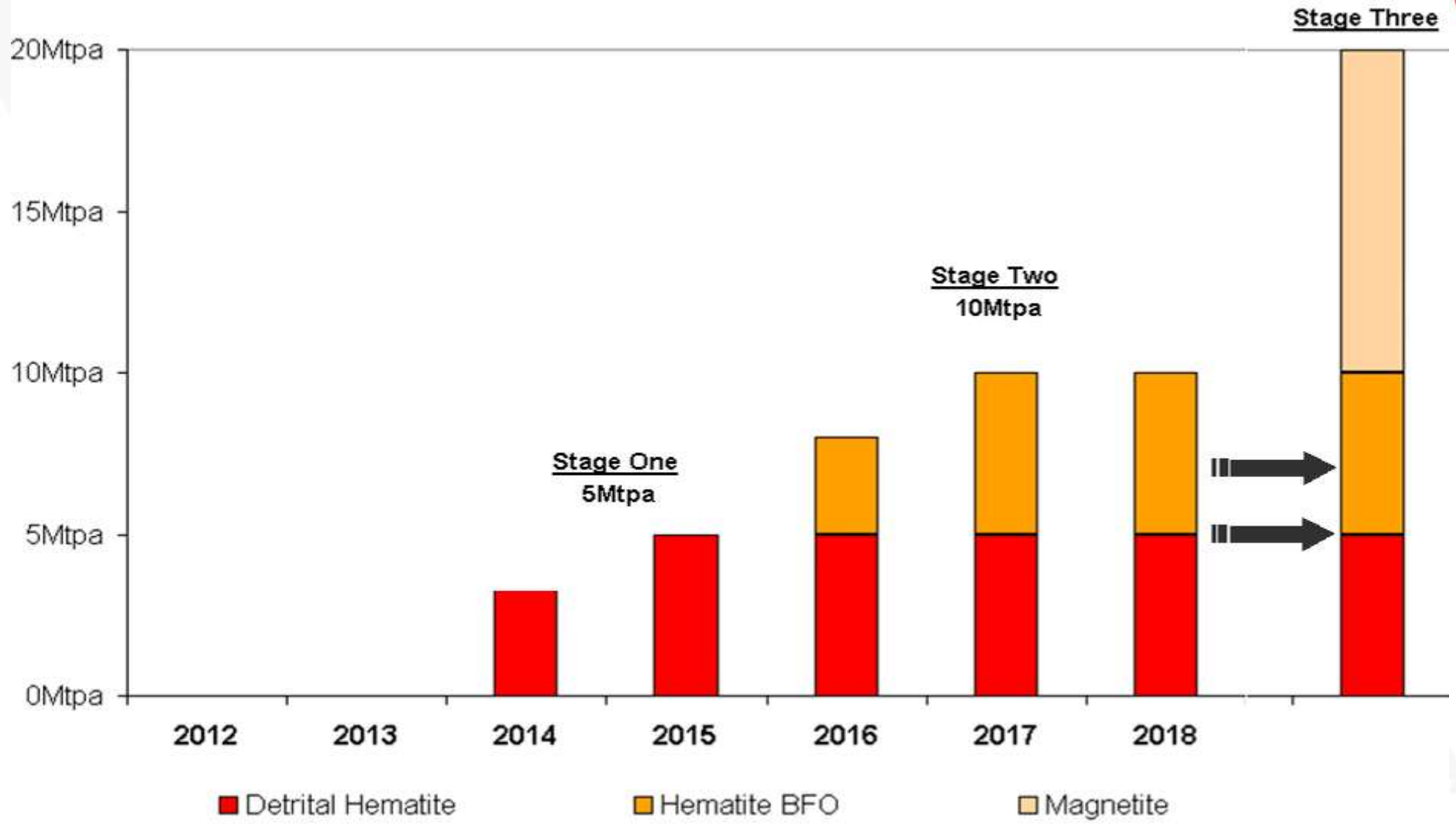
- JORC 822Mt resource
- Potential magnetite production
- Quality product - Fe 68% and SiO₂ of <4.5%, 45% Wt recovery

STAGE 1 - HEMATITE Detrital ore (5Mtpa)

- Current detrital ore JORC resource of 42Mt
- Targeting production up to 5Mtpa from 2014
- Quality product – Fe 60%, 7.9% silica, 40% Wt recovery
- ProMet Independent expert desktop study (Jan 2012) and DFS underway (due 2nd half 2013)
- OPEX: \$59.32/t - \$68.48/t (range represents effect of feedstock quality)
- CAPEX: A\$130m
- Aggressive exploration post-IPO



Staged Development Model (Production Profile)



Stage 1 - Project Financing

Proposed initial hematite ore production



- ✓ Following completion of the ProMet Independent Expert Desktop Study (Nov 2011) on process design engineering, (refreshed in January 2012), and indications of robust economics, the decision was made to commence a Definitive Feasibility Study, which is expecting completion in the 2nd half of 2013

- ✓ Estimated capital expenditure for Stage 1 Hematite Detrital production of A\$130M

- ✓ The company anticipates finalising the financing discussions following completion of the Definitive Feasibility Study (expected completion in the 2nd half 2013)

- ✓ Currently in advanced discussions with regard to:
 - Off-take agreements
 - Strategic partnerships
 - Debt financing





Stage 1 - Infrastructure

HAUL ROAD

➤ 180km existing gazetted road with Flat topography



RAIL

- Government owned line from Menzies to Esperance
- Government to spend \$140m on Esperance infrastructure corridor (completion Q3 2013)
- Brookfield Rail take-or-pay agreement anticipated Q2 2013



PORT

- Multi-user, open access deep water port
- Cashmere funded Definitive Feasibility Study on port expansion, (completed Sept 2011)
- Government approval for expansion awaiting government to announce process for the upgrade
- Capacity Reservation Deed entered into with the port (December 2011)



MARKET





Menzies to Esperance rail line

RAIL

- ✓ Government owned open access line from Menzies to Esperance
- ✓ Commercial Operator – Brookfield Rail Pty Ltd
- ✓ Brookfield Rail actively seeking additional traffic on the line due to latent capacity
- ✓ Cashmere funded rail infrastructure and logistics scoping studies
- ✓ Discussions ongoing, rail access agreement

Current status: Scoping study completed confirming viability, now in discussions with Brookfield Rail

What's next: Rail haulage agreement

Risks: Delayed port development



Location Map Cashmere Iron Project - Western Australia





Esperance deep water port

ESPERANCE PORT

- ✓ Upgrade of the infrastructure corridor (rail & road) leading into the port is underway, fully funded by the Government (\$140m)
- ✓ Definitive Feasibility Study (DFS) on port expansion completed in Sept 2011 (funded by Cashmere)
- ✓ Government announced approval for expansion in January 2012
- ✓ Capacity Reservation Deed received December 2011
- ✓ Anticipated expansion subject to Government approvals on going
- ✓ No financial contribution required by Cashmere

Current status: allocation granted, infrastructure upgrade underway

What's next: Government to announce public tender process

Risks: delays associated with development



Highlights



- ✓ Significant exploration completed to date demonstrates resource upside potential
- ✓ Independently verified exploration potential of 8.6Bt² from 37km' s of the 52km long outcropping BIF making Cashmere potentially one of the largest undeveloped Iron Ore project in the Mid-West region of Western Australia
- ✓ Significant detrital hematite ore from surface, with significant demonstrated exploration potential
- ✓ Staged development model provides clear path to production with scoping studies for potential early detrital hematite production complete and definitive feasibility studies underway, due for completion second half of 2013
- ✓ Port access agreement in place, with rail negotiations underway
- ✓ Robust economic outcomes indicated from all studies completed to date with the project continuing toward development
- ✓ Highly experienced leadership team with proven track record in project delivery



Stage .1 Hematite Deposits



Stage 2 BFO Hematite



Stage 3 Magnetite Deposits

