

YilgIron Pty Ltd

# MT FORREST IRON PROJECT - UPDATE

September 2009



# OUTLINE

Introduction to Mt Forrest where it is and its background

Conceptual Exploration Target what size could it be

Enterprise Concept what type of operation

On The Ground what has been achieved so far

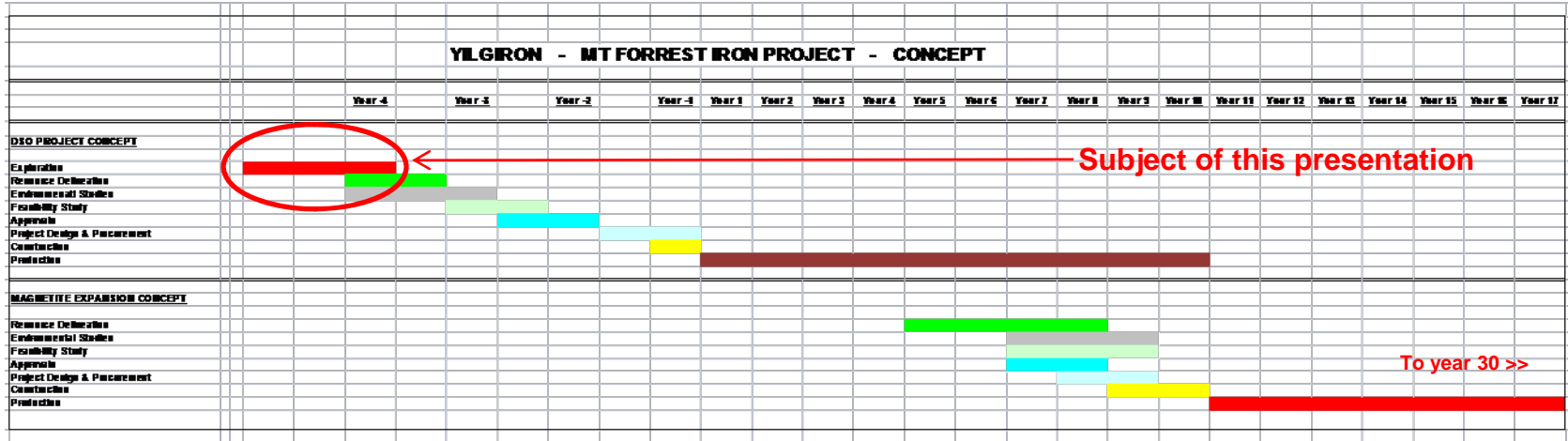
Permitting Issues what hurdles remain

Forward Schedule where to from here

Disclaimer

# PROJECT SCOPE

The Mt Forrest Iron Project is based on an Exploration Target\* released early in 2008. The Exploration Target is the scale of the potential iron mineralisation, based on surface geological mapping and systematic surface sampling. Should drilling successfully quantify a mineral resource and all other economic factors support an eventual investment decision, then this is the possible scope of the project.



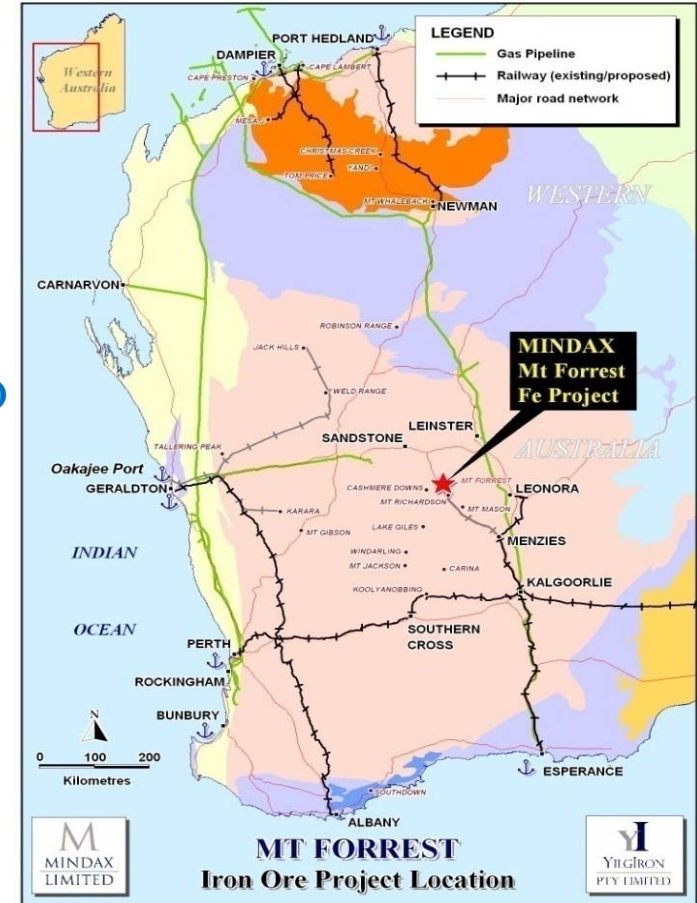
\* There has not yet been any drilling of these targets and accordingly there has been insufficient exploration to define a Mineral Resource. The target quantity and quality is conceptual in nature. Being conceptual in nature it is not certain that further exploration will result in the determination of a Mineral Resource.

# MT FORREST IRON PROJECT

- ❑ Located 650km from Port of Esperance
- ❑ Close to rail/gas/road infrastructure
- ❑ Banded magnetite iron formation over 17 km
- ❑ Hematite (direct shipping ore) focus
- ❑ Target\* approximately 90-100 Mtonne of DSO

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- ❑ Mapping, surface sampling, but no drilling
- ❑ Central Yilgarn Iron Province
  - ❑ includes Cliffs/Portman, Palinghurst, Polaris





# CONCEPTUAL EXPLORATION TARGET\*

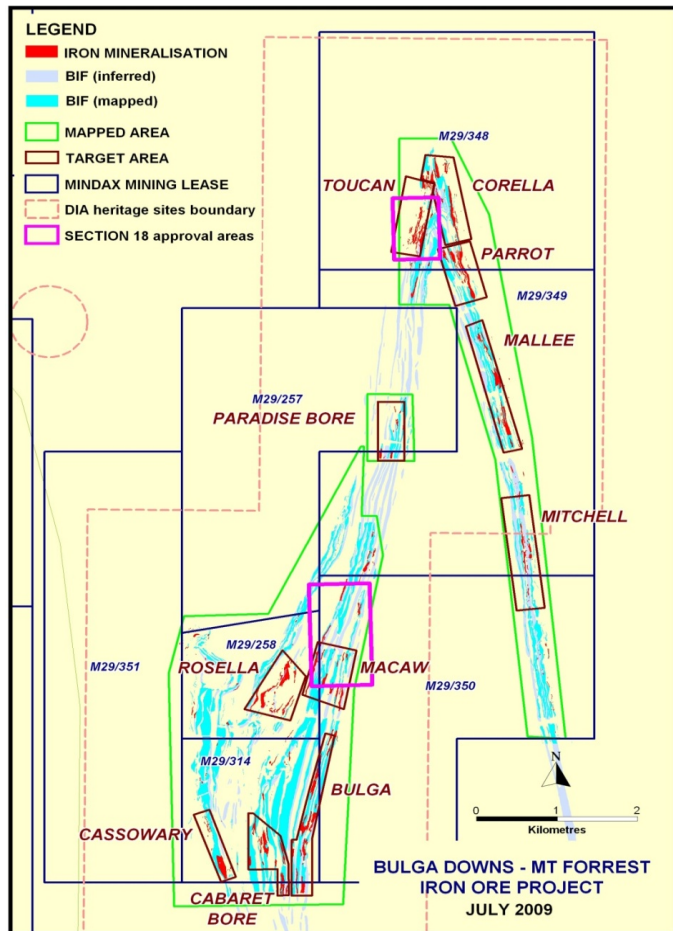
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- ❑ Reconnaissance mapping and rock chip sampling in early 2008 over 17 km of iron formations enabled the following concept of mineralisation:
- ❑ 650-750 million tonnes magnetite iron formation to 75m depth
  - ❑ 25 to 65% Fe (av 40% Fe)
- ❑ Includes 90-00 million tonnes hematite DSO to 75m depth
  - ❑ 57 to 63% Fe



# ONGOING EXPLORATION WORK

Since early 2008, the Company has had no access to drill but has completed the following drill oriented technical work:



- detailed 1:1000 mapping over 16.5 km<sup>2</sup> of prospective ironstones
- assay of 1925 Rockchips over mapped hematite and goethite mineralisation
- definition of 14 target areas, and
- 279 proposed first pass drill holes.
- Consultancy Mining One have completed a Conceptual Study of DSO Mining, and a Conceptual Study of subsequent Magnetite Mining

# ENTERPRISE CONCEPT

To guide the exploration and resource drilling and other project development work, an Enterprise Concept is being developed to benchmark technical progress and the investment decision.

- ❑ Mining, crushing, screening hematite DSO
  - ➔ 50% lump, 50% fines
- ❑ Rail (new) to Menzies, Rail (existing) to Esperance Port
  - ➔ Export markets
- ❑ Eventual add-on of a Magnetite concentrate operation



# ENTERPRISE TIMETABLE

MT FORREST DOS HEMATITE PROJECT - MINDAX-YILGIRON - PROVISIONAL PROJECT TIMETABLE														
	Year 4	Year 3	Year 2	Year 1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>PROJECT STAGE</b>														
Exploration	█	█												
Resource Delineation		█												
Environmental Studies		█												
Feasibility Study			█											
Approvals			█											
Project Design & Procurement				█										
Construction					█									
Production						█	█	█	█	█	█	█	█	█

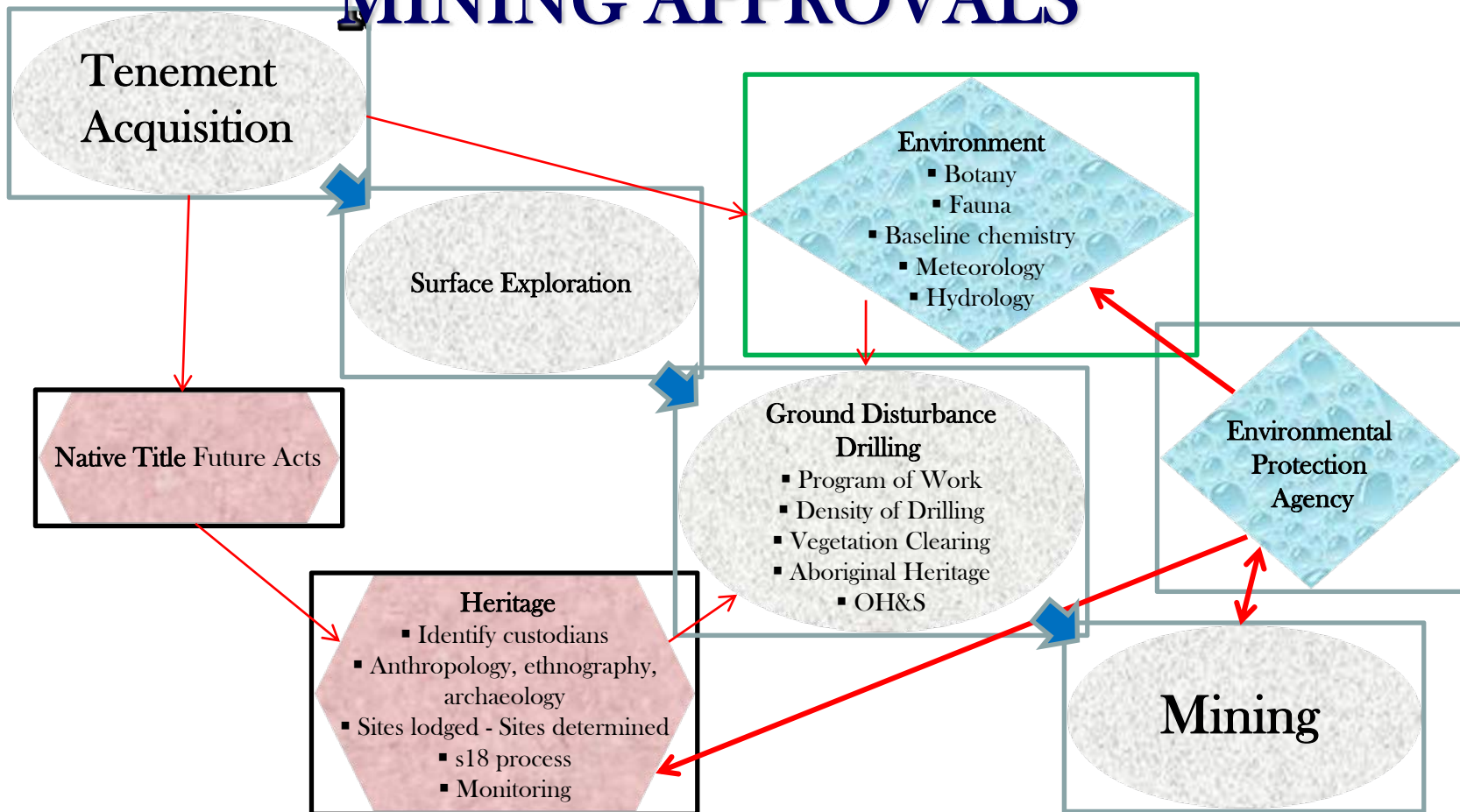
- YilgIron has commissioned a Mining Consultant to provide a guide to the ongoing development of the Mt Forrest Project.
- Such a guide is critical to navigate the complex regulations imposed by government and corporate regulators but also to benchmark the enterprise and provide realistic goals.
- Exploration is by nature a High Risk activity and an investor of such risk capital needs to be very aware of the operational criteria that must be achieved to make the project viable.
- While only for internal use, this is proving a very useful “road map” where exploration and project development work increasingly overlaps and volatility exists within the iron ore market.



# “AS IS” POSITION

- ❑ Office established in Kalgoorlie
- ❑ Dedicated Project Manager
- ❑ Mapping (1000 scale) completed
- ❑ Completing surface sampling
- ❑ Targets (14) selected for first pass drilling
- ❑ Sites and access cleared
- ❑ Continuing geological/geophysical identification of further targets
- ❑ Key s18 (1) Heritage approval received for small area
  - ❑ breaks heritage impasse, allows wider area to be cleared
  - ❑ Some conditions - Cultural Heritage Management Plan (CHMP)
- ❑ Supplementary s18 (2) required
  - ❑ survey for heritage, environment substantially in place
- ❑ First pass 279 drill holes planned
  - ❑ POW (1) lodged - 27 holes

# MINING APPROVALS

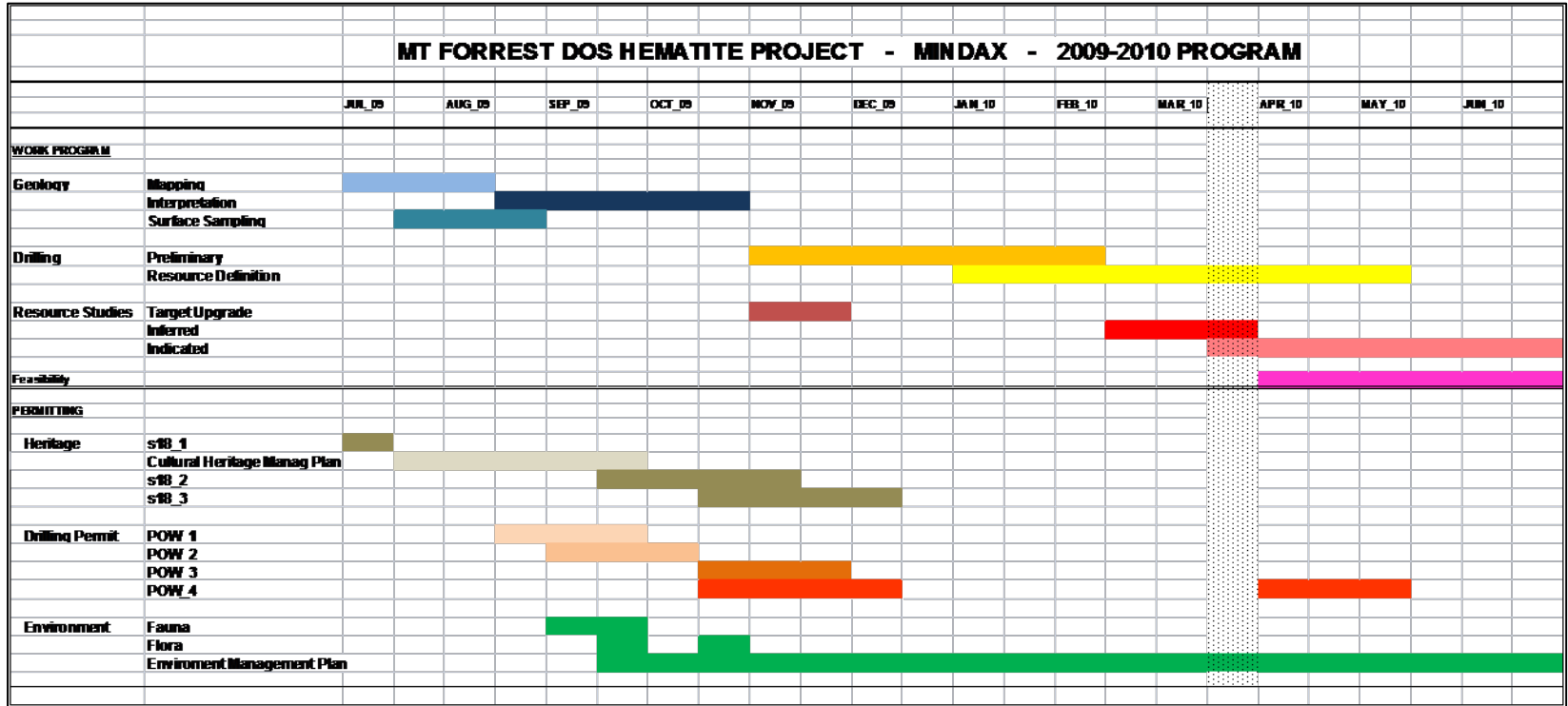


# PROVISIONAL WORKS SCHEDULE

- Interpretation of Mapping commenced late August
- Surface Sampling to be completed during September
- First Pass Drilling to commence at Toucan & Macaw November 2009
- Resource Definition Drilling Dec - June 2010
- Exploration Target Update November 2009
- Initial Inferred JORC Resource end March 2010
- Initiate Feasibility April 2010



# FORWARD SCHEDULE





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## Competent Person Statement

*The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Gregory John Bromley who is a member of the Australasian Institute of Mining and Metallurgy, with more than 5 years experience in the field of activity being reported on.*

*Mr Bromley is a full-time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit 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 Bromley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*