

# Richmond Mining Limited

## *Buena Vista Iron Ore Project*



# Forward Looking Statements

This presentation contains forward looking statements concerning the activities of Richmond Mining Limited. It contains information on Richmond Mining Limited's Buena Vista project and utilises publicly available material from other companies. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they also involve estimates based on specific assumptions.

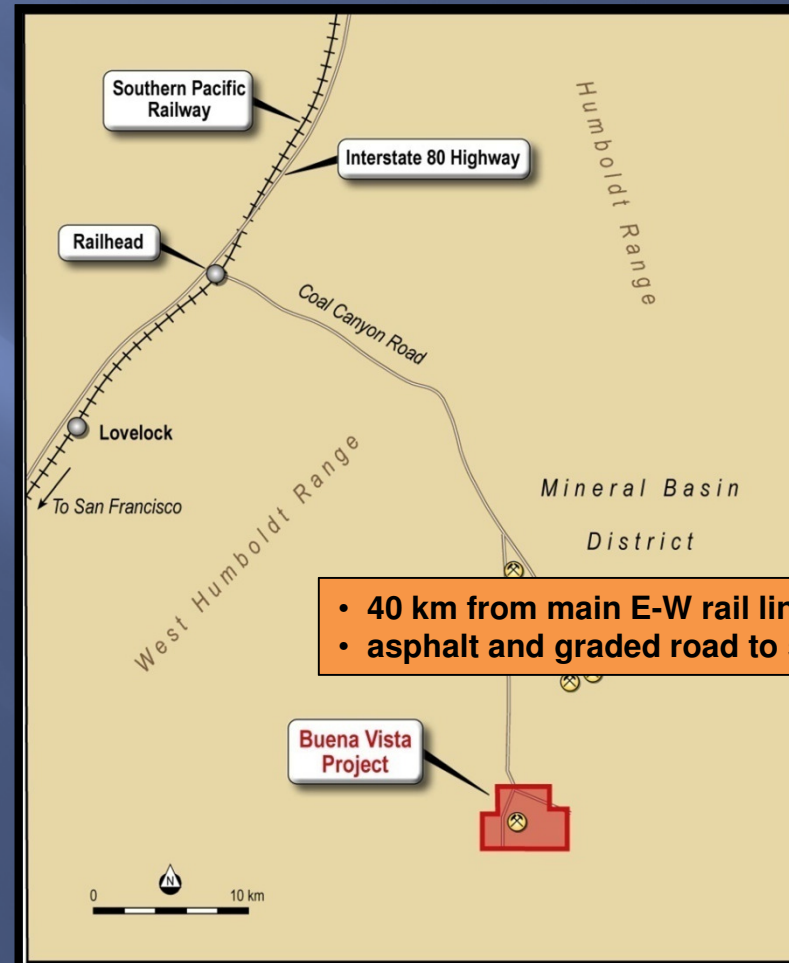
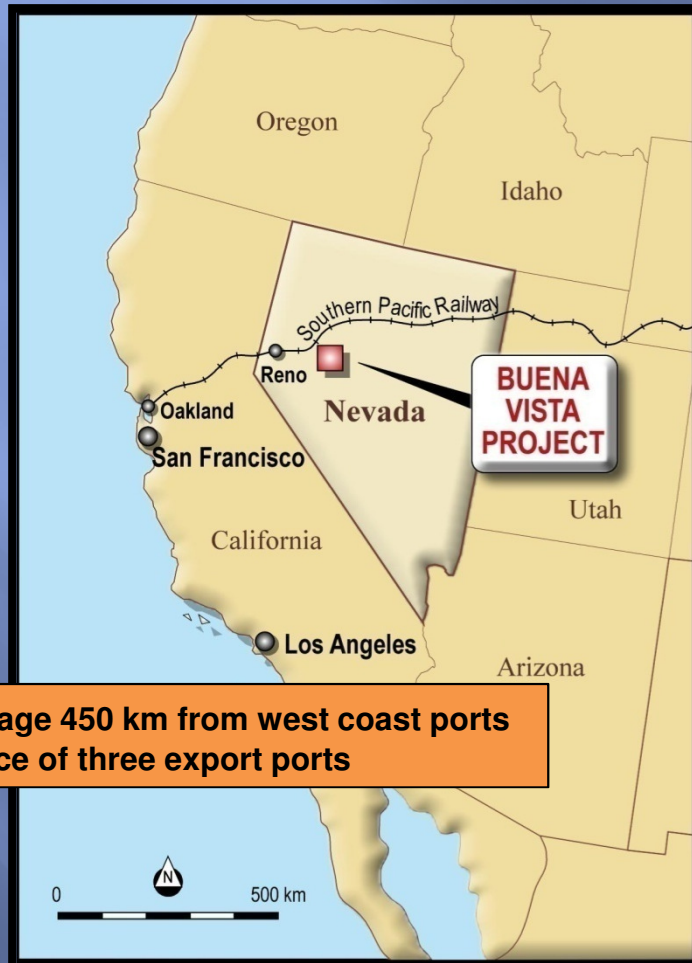
The information in this presentation that relates to, resources and resource potential is based on information compiled by Dr Vernon Stocklmayer who is a Member of the Australian Institute of Geoscientists. Dr Stocklmayer is an independent consultant to Richmond Mining Limited. All other discussion is based on information compiled by Mr Howard Dawson, Mr Max Nind; who are Members of the Australian Institute of Geoscientists; and Mr Thomas Duckworth; who is a Fellow of both the Australasian Institute of Mining and Metallurgy and Institute of Materials, Minerals and Mining, London. Mr Duckworth is an independent consultant to Richmond Mining Limited. Mr Dawson, Chairman, and Mr Nind, Managing Director, are representatives of Richmond Mining Limited. Mr Dawson, Dr Stocklmayer, Mr Nind and Mr Duckworth have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity to which they are undertaking to qualify as Competent persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Dawson, Dr Stocklmayer, Mr Nind and Mr Duckworth consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Forward looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on managements beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

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# LOCATION & INFRASTRUCTURE



# FEASIBILITY STUDY RESULTS

- ✓ Stage 1 – initial 10 year mine life
- ✓ Diluted Mining Reserves - 59 Mt @ 21.7% Total Fe
- ✓ Av. mining rate - 12 Mtpa (6 Mt ore, 6.5 Mt waste)
- ✓ Av. milling rate - 4.4 Mtpa @ 26.5% Total Fe
- ✓ Overall Recovery - 91%
- ✓ Av. conc. production - 1.75 Mtpa (Yrs 2-10)
- ✓ Av. conc. grade - 67.5% Total Fe
- ✓ Opex : US\$66/t conc. (piping) or US\$72/t conc. (trucking)
- ✓ Capex: US\$161 M (piping) or US\$138 M (trucking)

# KEY POINTS

- ✓ Nevada Iron owns 100% of Buena Vista project
- ✓ Targeting commissioning Q4 CY2012
- ✓ Substantial upside to double mine life
- ✓ +150 Mt JORC Resources & +200 Mt in exploration targets
- ✓ Proven & simple metallurgy
- ✓ Surety of title in pro-mining US state
- ✓ Road, rail & port access
- ✓ Permitting well advanced

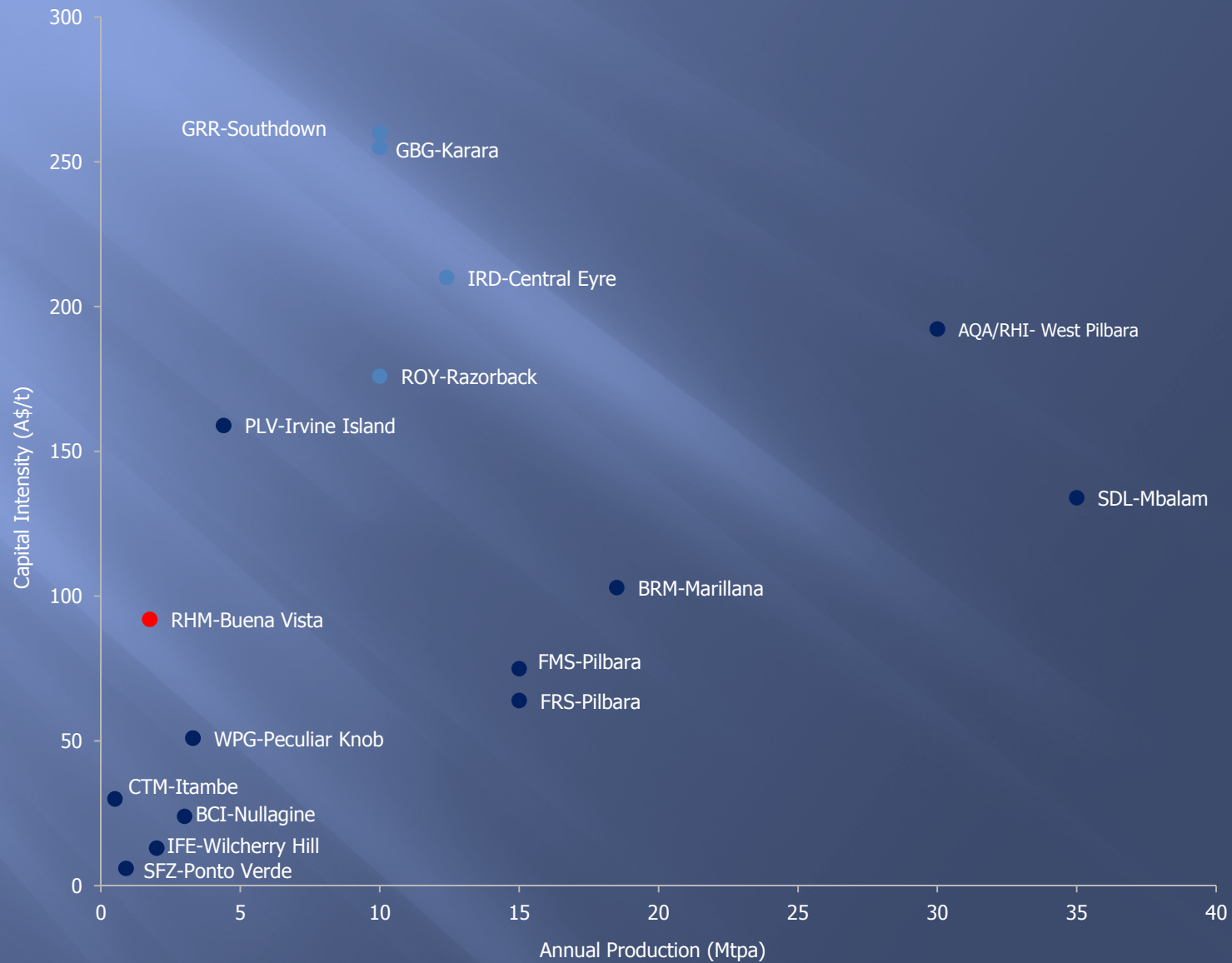
# KEY FINANCIALS

## Capital Costs Estimates

Cost Centre	Capital (US\$ M)
Mining	\$5.8
Plant Site (includes Slurry Pipeline)	\$110.2
Colado Site (includes Filter Plant)	\$21.8
Site Infrastructure	\$4.8
Off Site Infrastructure	\$16.4
Owner's Costs (Nevada Iron)	\$2.3
<b>Total Costs</b>	<b>\$161.3</b>

1. Capital costs include slurry pipeline option which delivers operating cost, safety, risk and environmental benefits.
2. Capital cost excludes contingency

# CAPITAL INTENSITY



# KEY FINANCIALS

## Operating Costs Estimates

Cost Centre	Mining	Crushing	Beneficiation	Power	Water	Admin	Total	\$/wmt Conc.
Fixed	\$43.3m	\$9.4m	\$30.3m	\$4.8m	-	\$28.5m	<b>\$116.6m</b>	<b>\$6.86</b>
Variable	\$329.4m	\$14.9m	\$97.0m	\$45.0m	\$1.9m	-	<b>\$488.2m</b>	<b>\$28.79</b>
Total Site	\$372.7m	\$24.3m	\$127.3m	\$49.8m	\$1.9m	\$28.5m	<b>\$604.5m</b>	<b>\$35.65</b>
Offsite							<b>\$514.4m</b>	<b>\$30.33</b>
Total							<b>\$1,118.9m</b>	<b>\$65.98</b>

1. Operating costs are for slurry pipeline option
2. Total costs are for base case 10 years of operation.
3. All costs in US dollars.



# KEY FINANCIALS

## Financial Ratios

US\$ FOB Price	NPV @ 7.5% DCF	IRR	Free Cash Flow
DFS	\$160m	41%	\$476m
\$120/tonne	\$217m	44%	\$580m
\$130/tonne	\$279m	56%	\$676m
\$140/tonne	\$341m	67%	\$772m
\$150/tonne	\$402m	79%	\$868m

1. FOB price commences at \$134/t and averages \$110/t over base case 10 years of operation.
2. NPV is calculated after tax and capex.
3. NPV is calculated from 1 July 2011.
4. Free cash flow is after all costs and tax but before capex.
5. All data in US dollars.

# ACCESS ROAD TO SITE



**Coal Canyon Road** — 40 km (25 miles) access road from mine site to Colado rail siding; 30 km (19 miles) is a purpose built, heavy haul sealed road as shown

# COLADO RAIL SIDING



Proposed location for load out facility (looking east)

# WEST COAST PORTS



# WEST DEPOSIT RESOURCES

CLASSIFICATION CATEGORY	DOMAIN	TONNES	TOTAL FE%
INDICATED	High Grade	3,300,000	48.7
	Medium Grade	18,100,000	29.7
	Mining Envelope	10,700,000	20.7
	Low Grade	33,000,000	16.5
	<b>TOTAL</b>	<b>65,100,000</b>	<b>22.5</b>

1. Diluted Probable Mining Reserves of 59 Mt @ 21.7% Total Fe

# GLOBAL RESOURCES

## JORC Resources

Deposit	Category	Tonnes	% Magnetic Fe	% Total Fe
South Central	Indicated	37,000,000	18.6	21.9
East	Indicated	19,000,000	17.9	21.1
Iron Point	Inferred	10,000,000	14.1	16.6
South West	Inferred	12,000,000	16.6	19.5
Section 5	Inferred	6,000,000	20.0	23.5
Section 5 East	Inferred	4,000,000	11.8	13.9

*Note: magnetic Fe is 85% of total Fe based on statistical analysis of the historic metallurgical test work.*

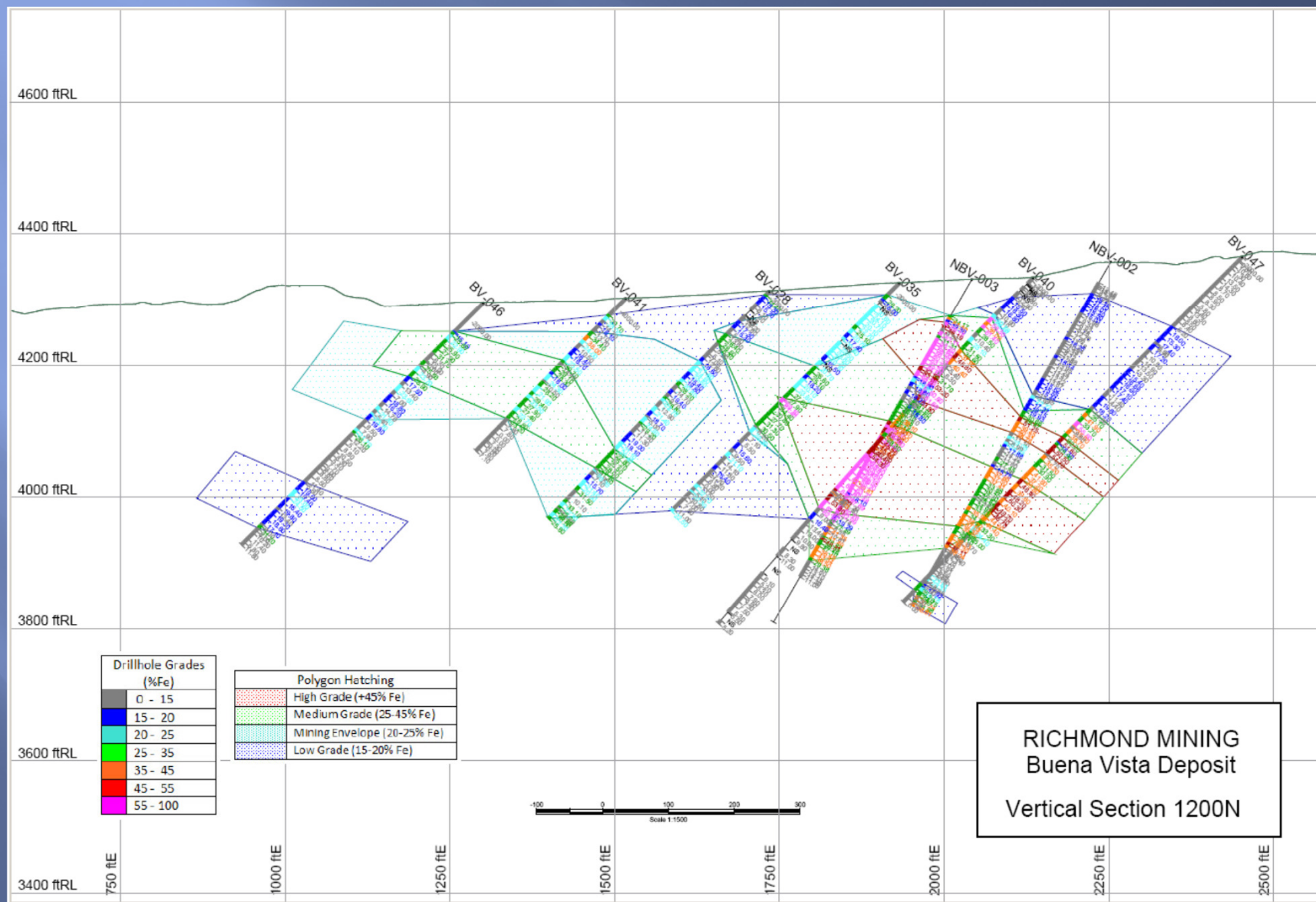
## JORC Exploration Targets

Prospect	Tonnes	% Magnetic Fe	% Total Fe
BV-D	10-18,000,000	16-20	19-24
A5-1 Anomaly	80-110,000,000	16-20	19-24
A-10 Anomaly	70-90,000,000	15-20	18-24
Iron Horse	1-3,000,000	-	59-68

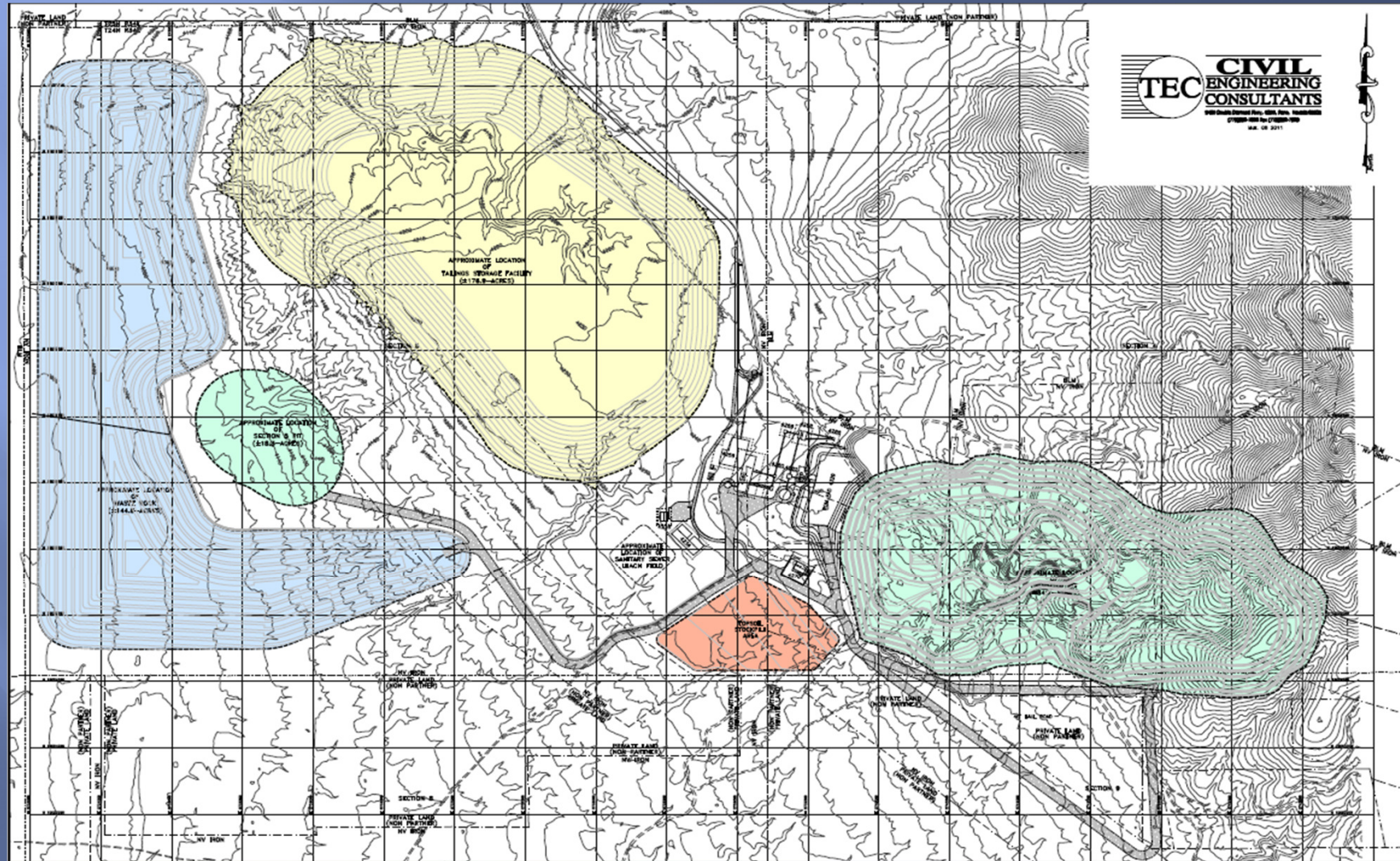
*Note: magnetic Fe is 85% of total Fe based on statistical analysis of the historic metallurgical test work.*

*The potential quantity and grade of the exploration targets are conceptual in nature and there has been insufficient exploration to define a JORC compliant Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.*

# WEST DEPOSIT - CROSS SECTION

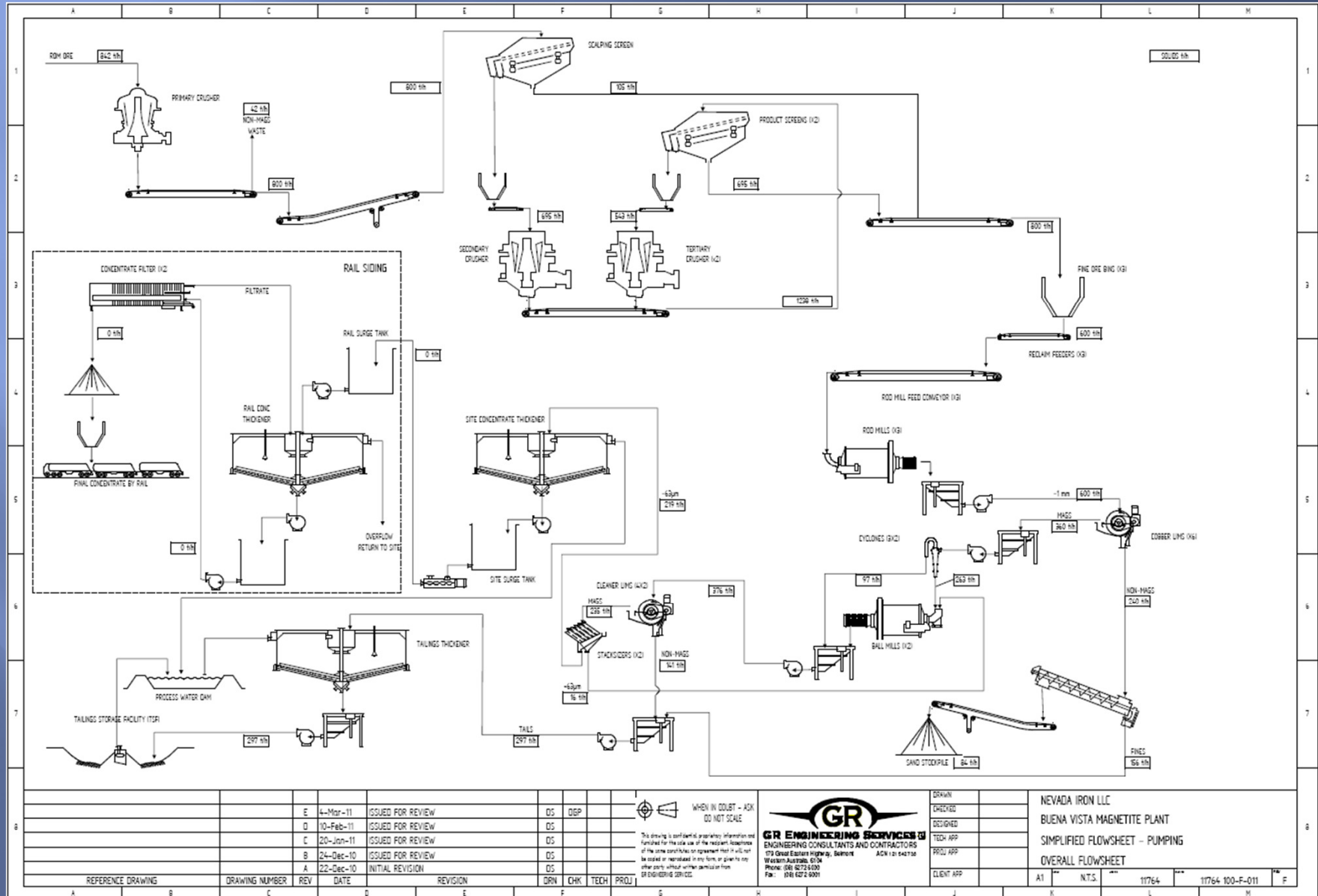


# PROPOSED SITE LAYOUT

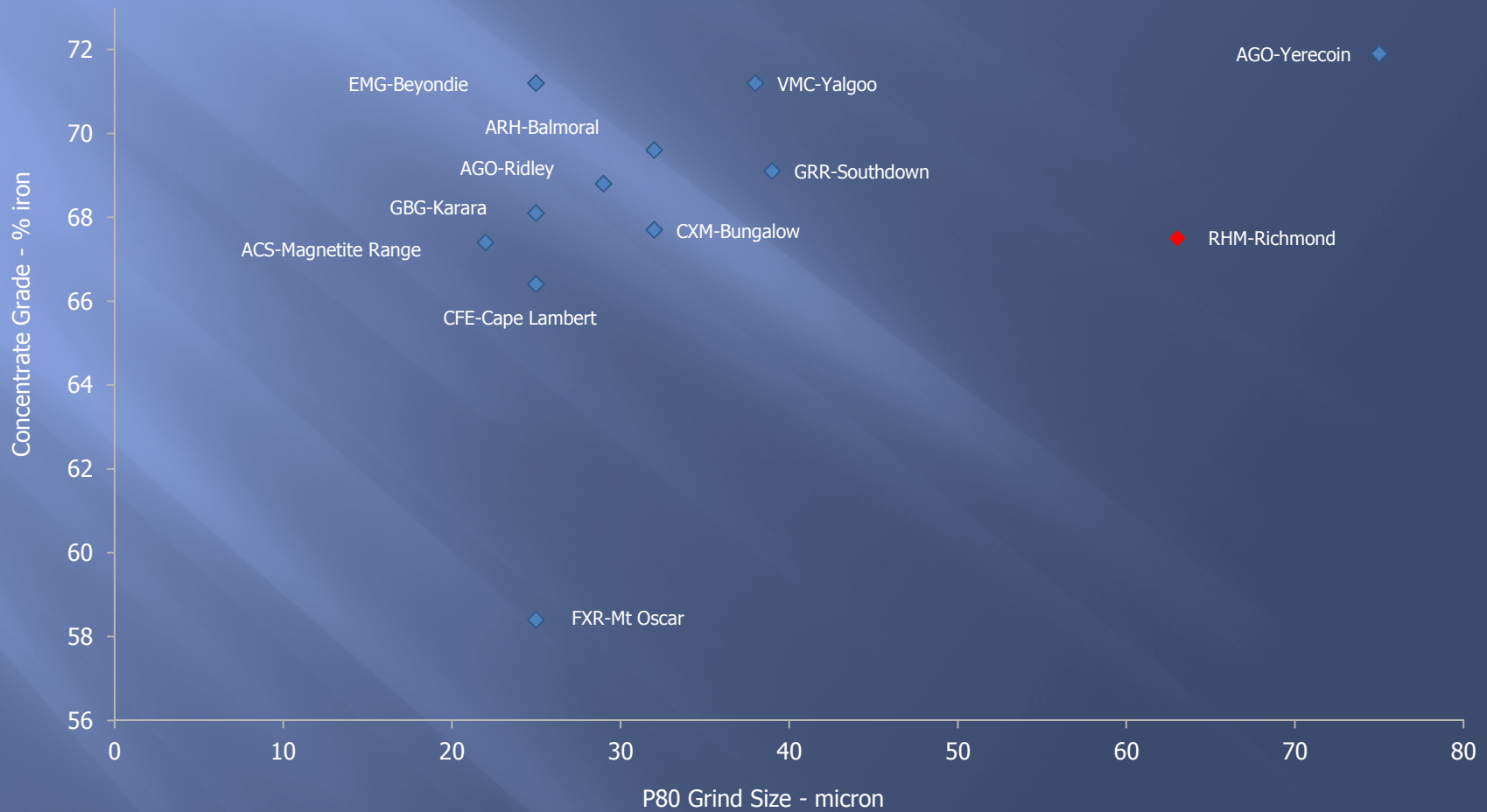




# PROPOSED PROCESS PLANT



# CONCENTRATE GRADE VS GRIND



# NEAR TERM DEVELOPMENT



- Permitting scheduled for completion Q3/Q4 CY2011
- Construction target Q3/Q4 CY2011
- Production target Q4 CY2012

# KEY INVESTMENT POINTS

- ✓ Existing infrastructure substantially reduces capex needs
- ✓ Life of mine water secured
- ✓ Grid power available
- ✓ Robust resources
- ✓ Proven & simple metallurgy
- ✓ Premium product
- ✓ Road, rail & port access
- ✓ Permitting well advanced
- ✓ Capital payback period less than three years