



NEVADA IRON LTD

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DRILL RESULTS CONFIRM FURTHER EXTENSION OF HIGHER GRADE MINERALISATION AT SECTION 5 MAGNETIC ANOMALY INCLUDING 35.0 M @ 30.2% TOTAL FE

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Perth, Western Australia: Emerging iron ore developer, Nevada Iron Ltd ("Nevada Iron" or "Company") (ASX: NVI) advises that assay results continue to confirm the extension of higher grade magnetite mineralisation from drilling of the prominent Section 5 magnetic anomaly at the Buena Vista Iron Project, Nevada, USA. Highlights include:

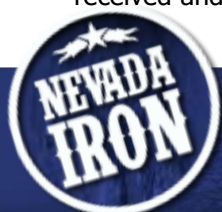
- 35.0 m @ 30.2% total Fe from 22.9 m (Hole 4E);
- 30.6 m @ 28.0% total Fe from 119.8 m (Hole 6F).

Drilling at the Section 5 magnetic anomaly has encountered thick magnetite mineralisation in an oval shaped area of some 600 m E-W by 50 to 400 m N-S and to depths of 200 m, where several holes terminated in strong mineralisation.

Drill Results

Assay results (Table 1) have been received for drill holes over an additional 200 m E-W length (4 drill lines) of the Section 5 magnetic anomaly at the Buena Vista Iron Project in Nevada, USA. Hole 4E assay interval (35.0 m @ 30.2% total Fe from 22.9 m) confirms the lateral extension of the shallow, higher grade magnetite mineralisation and enhances the potential that such a zone can be defined to be mined early in the Project's life.

In May-July 2012, Nevada Iron completed a major drill programme totalling 16,655 m to predominantly test the Section 5 and West Extension magnetic anomalies at the Buena Vista Iron Project. The prominent Section 5 magnetic anomaly was drilled with 47 reverse circulation and 12 diamond holes on 12 drill lines. Assay results have only been received and reported for 9 of the 47 holes drilled.



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The overall impression of Section 5 is an oval shaped body containing magnetite mineralisation, which occurs as lenses of higher grade material interspersed with zones of lower grade material. Preliminary visual estimates suggest that the higher grade zones predominate in the west.

The Exploration Target¹ for the Section 5 deposit is 12-18 Mt grading 18-26% total Fe.

The Project's currently identified JORC Exploration Targets¹ provide for an additional 195 Mt to 268 Mt of exploration potential (Refer Table 2). Significant potential, therefore, exists to expand the scale of the Project through additional exploration of, in particular, higher grade magnetite mineralisation at these prospects.

The recent drill programme was designed to facilitate the project's optimisation plan of:

- increasing Phase 1 plant throughput from 4.8 Mtpa to a minimum of 6.0 Mtpa (and potentially higher);
- scheduling the mining of other deposits, in addition to the West Deposit, in the initial years to increase concentrate production to levels of up to 2.4 Mtpa; and
- investigating the potential to develop a Phase 2 project after a few years of operation, to produce in the order of 4 to 5 Mtpa of concentrate.

The Buena Vista mineralisation has proven to be significantly different to other magnetite mineralisation in that the iron readily upgrades without the need for expensive fine grinding. The Company's metallurgical test work proving that the Buena Vista mineralisation upgrades, at a significantly coarser grind than typical BIF (taconite) magnetite mineralisation, to produce high quality clean concentrate grading 67.5-69% Fe.

A large number of assays are still pending for Section 5 and further results from the drill programme are expected in the near term.

For and on behalf of the Board

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Table 1 – Section 5 Drill Results

Hole No.	N (m)	E (m)	Dip	Az	From (m)	To (m)	Interval (m)	Total Fe (%)
4E	4425780	398603	-60°	188°	22.9	57.9	35.0	30.2
6F	4425803	398706	-60°	188°	75.6	86.3	10.7	18.2
					92.4	161.9	69.5	22.4
includes					119.8	150.5	30.6	28.0
7E	4425766	398752	-60°	188°	122.0	157.0	35.0	24.5
8F	4425678	398784	-60°	188°	45.7	56.4	10.7	22.1

Note: 15% Fe cut off and includes up to 10 feet of sub grade material between 10% - 15% Fe

Table 2 – Exploration Targets ¹

Prospect	Tonnes	% Total Fe
Section 5	12-18,000,000	18-26
Iron Point	10-15,000,000	18-23
Southwest	12-15,000,000	20-25
BV-D	10-18,000,000	19-24
A5-1 Anomaly	80-110,000,000	15-20
A-10 Anomaly	70-90,000,000	15-20
Iron Horse	1-2,000,000	59-68
Total	195-268,000,000	16-22

1. 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.

Competent Persons Statements

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 Nevada Iron Ltd. All other discussion is based on information compiled by Mr Max Nind; who is a Member 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 Nind, Managing Director, and Mr Duckworth, Director, are representatives of Nevada Iron Ltd. 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". 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.