



NEVADA IRON LTD

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DRILL RESULTS CONFIRM FURTHER EXTENSION OF NEAR SURFACE HIGHER GRADE MINERALISATION AT SECTION 5 INCLUDING 67M @ 28.3% 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 near surface higher grade magnetite mineralisation from drilling of the prominent Section 5 magnetic anomaly at the Buena Vista Iron Project, Nevada, USA. Highlights include:

- 67m @ 28.3% total Fe from 16.8m (Hole 4D)
- 44.2m @ 16% total Fe from 33.5m, 72.9m @ 20.4% total Fe from 118.3 and 23.8m @ 21.6 % total Fe from 199.1m (Hole 4B)

These results follow on from the previously released Hole 4 E from the same line of drilling which returned 35m @ 30.2% total Fe from 22.9m.

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

Drill Results

Table 1 contains a list of recently received drill results for the Section 5 magnetic anomaly at the Buena Vista Iron Project in Nevada, USA.



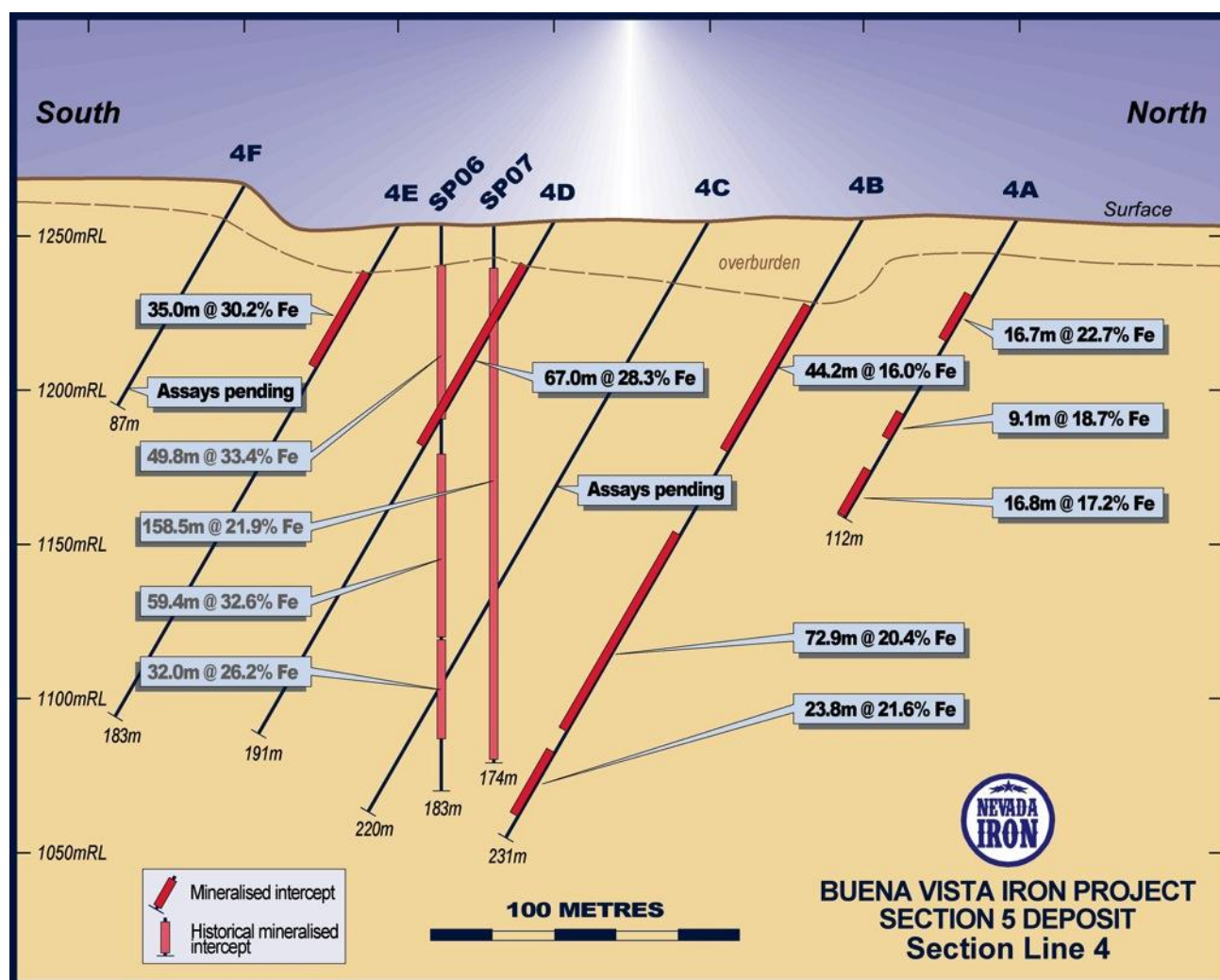
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Hole 4D contains a thick, high grade interval from near surface and confirms the high grade mineralisation from the historical SP holes (Refer to Figure 1) which included:

- 49.8m @ 33.4% total Fe and 59.4m @ 32% total Fe in SP06
- 158.5m @ 21.9% total Fe in SP07

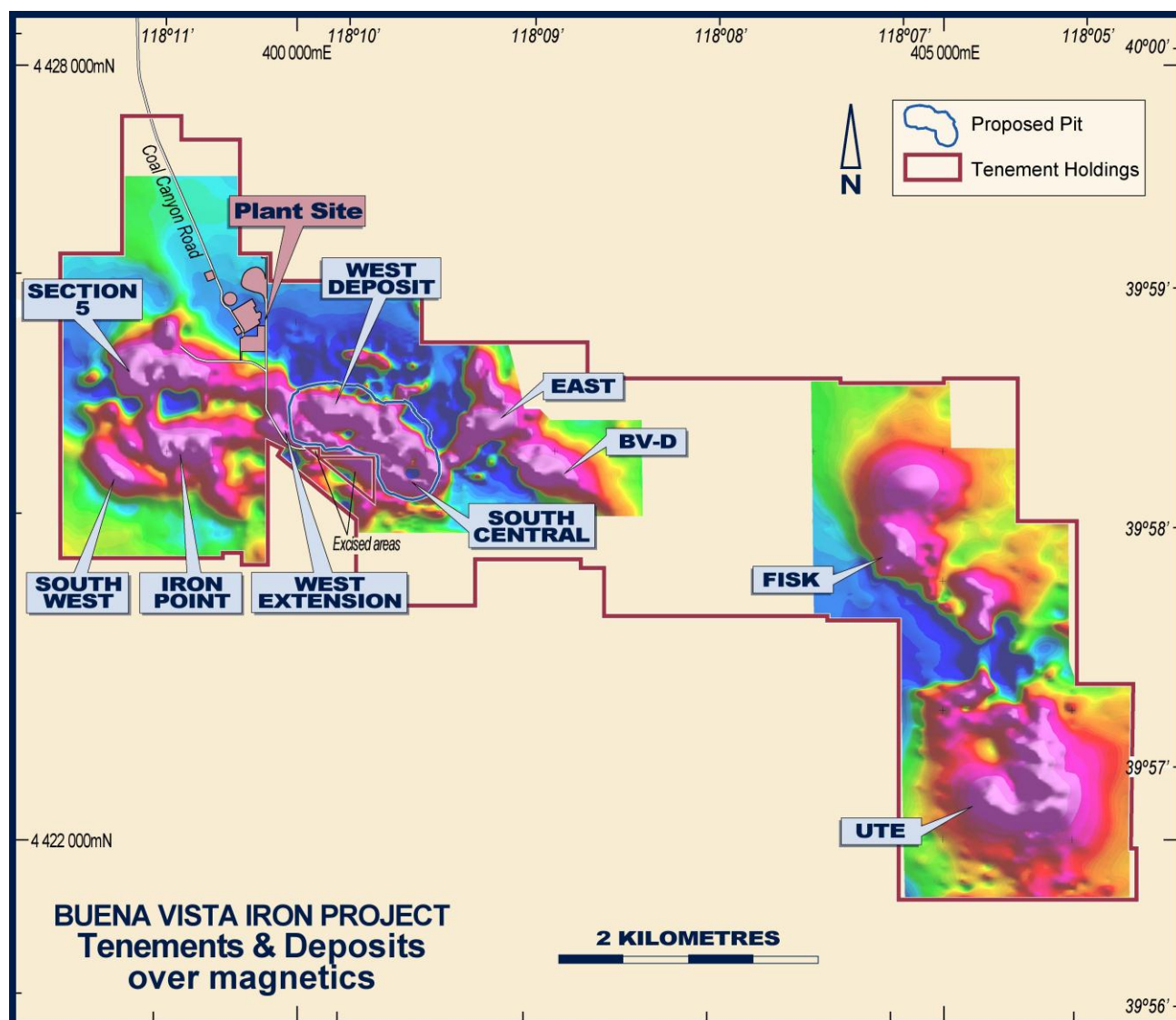
Figure 1 - Line 4 Cross Section



Results for holes 4 C and 4 F are expected shortly.

The Section 5 prospect contains shallow mineralisation below 5m to 20m of cover sediments. As a potential early starter pit (Figure 2), it is ideally located approximately 1km from the proposed plant site and is one of several magnetic anomalies in the immediate plant area.

Figure 2 – Buena Vista Project Magnetic Anomalies



A recently completed ground magnetic survey over the majority of the project area has defined the substantial geophysical targets at the Fisk and Ute prospects (refer Figure 2 and Table 2). The surveying also highlights the West Deposit with a mineral resource of 100.2 Mt @ 20.3% total Fe (Refer Figure 2 and Table 3) is one of many magnetic anomalies in the Company's land holding and is potentially not the largest deposit on the project.

The Exploration Target¹ for the Section 5 deposit is 12-18 Mt grading 18-26% total Fe (Table 2).

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

Mick McMullen

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Executive Chairman

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Competent Persons Statements

The information in this announcement 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.



Table 1 – Section 5, Line 4 Drill Results

Hole No.	N (m)	E (m)	Dip	Az	From (m)	To (m)	Interval (m)	Total Fe (%)
4A	4425975	398637	-60°	188°	29.0	45.7	16.7	22.7
					73.2	82.3	9.1	18.7
					94.5	111.3	16.8	17.2
4B	4425912	398627	-60°	188°	33.5	77.7	44.2	16.0
					118.3	191.2	72.9	20.4
					199.1	222.9	23.8	21.6
4D	4425820	398611	-60°	188°	16.8	83.8	67.0	28.3
4E	4425780	398603	-60°	188°	22.9	57.9	35.0	30.2

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
Ute (A5-1) Anomaly	80-110,000,000	15-20
Fisk (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.

Table 3 - Mineral Resource Estimates at a 10% total Fe Cut off grade

Deposit	Category	Tonnes	Total Fe %	Contained Fe (Mt)
West	Indicated	100.2	20.3	20.3
South Central	Inferred	18.0	21.3	3.7
East	Inferred	19.0	21.5	4.0
Total		137	20.4	28