

20 December 2011

ASX Announcement

## **FORWARD MINING LTD OPTION TO ACQUIRE BLYTHE PROJECT EXTENDED BY SIX MONTHS**

Iron Mountain Mining Limited ("Iron Mountain", ASX: IRM), together with joint venture partner Red River Resources Limited ("Red River", ASX: RVR), have agreed to extend the exercise date on the Option to Acquire the Blythe Project in Tasmania from 31 December 2011 to 30 June 2012. Following consultation with Forward Mining Ltd, it was determined that extending the exercise date to 30 June 2012 provided an optimal value generation scenario for both the project and all involved parties.

Under the variation to the Option to Acquire:

- Forward Mining Ltd has the right to extend the exercise date of the Option to 31 March 2012 with the payment of an additional A\$25,000 to be split equally between Iron Mountain/Red River
- Forward Mining Ltd has the right to extend the exercise date of the Option to 30 June 2012 with the payment of an additional A\$25,000 to be split equally between Iron Mountain/Red River
- Forward Mining Ltd must exercise the Option on or before 30 June 2012

Iron Mountain can confirm that a payment of \$25,000 to extend the exercise date of the Option to 31 March 2012 has been received.

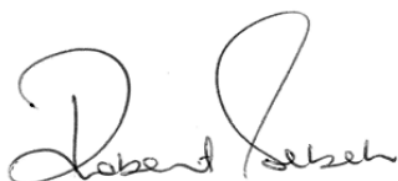
Under the retained general terms and conditions of the Option to Acquire, the following consideration is payable and to be split equally between Iron Mountain/Red River subject to the satisfactory completion of negotiated milestones:

- Payment of A\$1,500,000 and the issue of 5 million ordinary shares in Forward Mining Ltd following admission to the Official List of the ASX or the payment of A\$2,300,000 should Forward Mining Ltd not be admitted to the Official List of the ASX at the time of executing the Option
- Payment of A\$2,000,000 upon a Decision to Mine from within the Blythe tenements
- Payment of A\$2,000,000 upon the first shipment of iron ore extracted from the Blythe tenements
- A royalty of 1.5% payable on the gross Free on Board revenue from all shipments of iron ore from the Blythe tenements

The Blythe Project area is comprised of 6 granted exploration licences covering 324km<sup>2</sup> and is currently held under a 50:50 joint venture agreement between Iron Mountain and Red River (see Fig.1). The tenement package surrounds the Kara scheelite/magnetite mine operated by Tasmania Mines Ltd (ASX: TMM). As previously announced, continually increasing demands on time and resources from priority projects such as Wandoo and Miaree resulted in Blythe not receiving the attention it deserved. After receiving several expressions of interest, Forward Mining Ltd proposal was unanimously selected as having the best potential for rapid progress and the ultimate development of a mine.

Since the Option to Acquire was announced on 28 March 2011, Forward Mining Ltd has been making steady progress at Blythe however recent events in Europe have resulted in a global tightening of financial markets that has prevented the Option from being executed as originally intended. The variation to the Option to extend the exercise date to 30 June 2012 if required is expected to provide the necessary flexibility for all parties to achieve negotiated milestones.

The company remains confident that Forward Mining Ltd has the capabilities and necessary networks to ultimately achieve negotiated milestones and deliver an optimised outcome for all stakeholders.



**ROBERT SEBEK**  
Managing Director

20 December 2011

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*The information within this report as it relates to geology and mineral resources was compiled by the Managing Director, Mr Robert Sebek. Mr Sebek is a Member of the Australian Institute of Mining and Metallurgy. Mr. Sebek has sufficient experience which is relevant to the style of mineralization and the type of deposit under consideration 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, the JORC Code". Mr Sebek is employed by Iron Mountain Mining Limited and consents to the inclusion in the report of the matters based on information in the form and context which it appears.*

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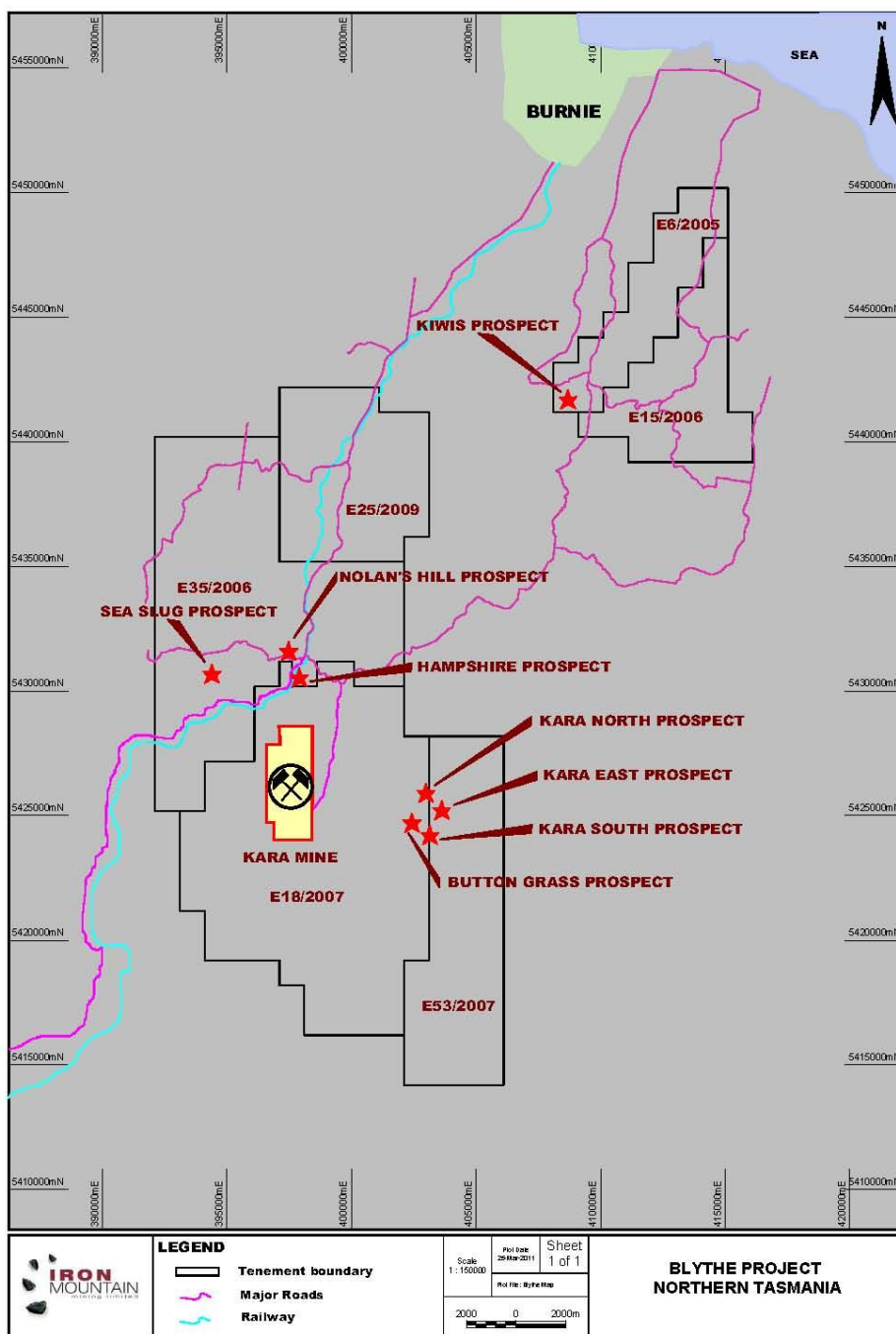


Figure 1 – Blythe Project location