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NORTHERN IRON

ASX ANNOUNCEMENT
14 May 2010

CHAIRMAN'S ADDRESS TO AGM

Chairman's Address

Shareholders will be aware that during the financial year ending 31 December 2009 Northern Iron achieved some major milestones in recommissioning the Sydvaranger Iron Ore Project but this achievement was not without some difficulty.

During that year there was a four month delay in delivering the project and significant cost overruns which resulted in further equity and financing facilities being required. Notwithstanding these difficulties concentrate was produce and a shipment was made. The Company determined that the plant was not able to produce the quality of concentrate required at the plants name plate capacity. An exercise was completed to identify the key bottlenecks in the operation and a US$25 million plan developed to undertake the necessary rectifications. This exercise is well underway and we now expect the stack-sizers to be installed in October 2010 which will mean the rectification program will be completed four months ahead of schedule. The cost of the rectification program is currently tracking below budget

We are making good progress assembling a high quality management team on site. Last November we appointed John Sanderson as Chief Executive Officer located at Kirkenes and more recently we have appointed a new mine manager and plant manager and expect to announce the appointment a chief operating officer shortly. The new management team has significant cold weather and remote location experience. At the end of the day this business is about getting good people into the operation and we believe we are well on the way to achieving this.

One of the resolutions you will asked to vote on today concerns the adoption of a Performance Rights Plan. This Plan is a key to attracting and keeping good senior employees in a beautiful but often freezing and remote location. Offers will be made under this plan to senior management and will incorporate hurdles which will involve absolute and/or relative share performance as well as individual goals which are under the control of the particular individuals and aligned with the success of the operation.

In January we completed a placement which resulted in OM Holdings Limited becoming a substantial shareholder with a shareholding which is now at 14.8%. The subscription agreement had a number of terms including ones that protected OM Holdings from dilution, gave it the right to nominate a director to the board and agreed that Northern Iron would negotiate in good faith a marketing agreement for uncommitted product to be sold into the Asian market. These negotiations are now underway. Peter Toth, the Managing Director of OM Holdings, has joined the Board and comes with a great deal of industry experience which we believe will make him a very valuable board member.

As you would expect our priorities this year are simply to improve our safety performance, get the plant up and running at name plate production producing good quality concentrate and to provide the Company with a stable financial basis and sound marketing partners. Northern Iron will only devote significant resources to the expansion case once we are very confident this priority has been achieved

During the year to date we feel that we have been making good progress in renegotiating our funding facilities to suit our transition from a construction to an operating phase. We believe that the result will be facilities with a longer duration and an improved working capital position.

The negotiation of our sales agreement with Corus to recognize the non delivery of ore to date and future production is continuing. Corus will continue to be a very important and valuable client in the years to come

While this project has had a difficult birth and we cannot rule out further bumps along the road we believe that with our with our senior operating team in place, the rectification program ahead of schedule and with the assistance of very strong iron ore prices we have good reason to be confident of the improved outcomes we can achieve as the year progresses. The first quarter and April production experienced interruptions, however production in May is showing encouraging signs as it tracks at about 70% of name plate capacity.

Neil Hamilton stepped down as Chairman this year and the Board would like to thank him for his efforts during the recent challenging times. The Board would also like to thank the people of Kirkenes and all our staff and contractors for their efforts and dedication to help us bring this project to what we are confident will be a successful conclusion.

Northern Iron Ltd
Annual General Meeting
2009 Operations Review

John Sanderson
Managing Director / CEO
14th May 2010

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Disclaimer

Forward-looking statements

This presentation may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and changes in assumptions which are outside the control of Northern Iron Limited. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements. Any forward-looking statements in this presentation speak only at the date of issue of this presentation. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Northern Iron Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this presentation or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

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Agenda

- Corporate Overview
- Project Location
- Project History
- 2009 Highlights
- Resource Portfolio
- Marketing
- Challenges Encountered
- Growth
- Summary & Investment Highlights

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Corporate

Shareholding

Tschudi Mining:	30.5 %
OM Holdings Ltd:	14.6 %
Westoz Funds Mgmt:	5.1 %
Top 20:	90.45%

Capital Structure

Ordinary shares:	292.2m
Market capitalisation @ 1.45	AUD 423.7m
Cash @ 31st March	AUD 19.6m
Debt	AUD 130m
Enterprise Value	AUD 534m
Options	4.7m

Note: assumed AUD:USD exchange rate: 0.915.

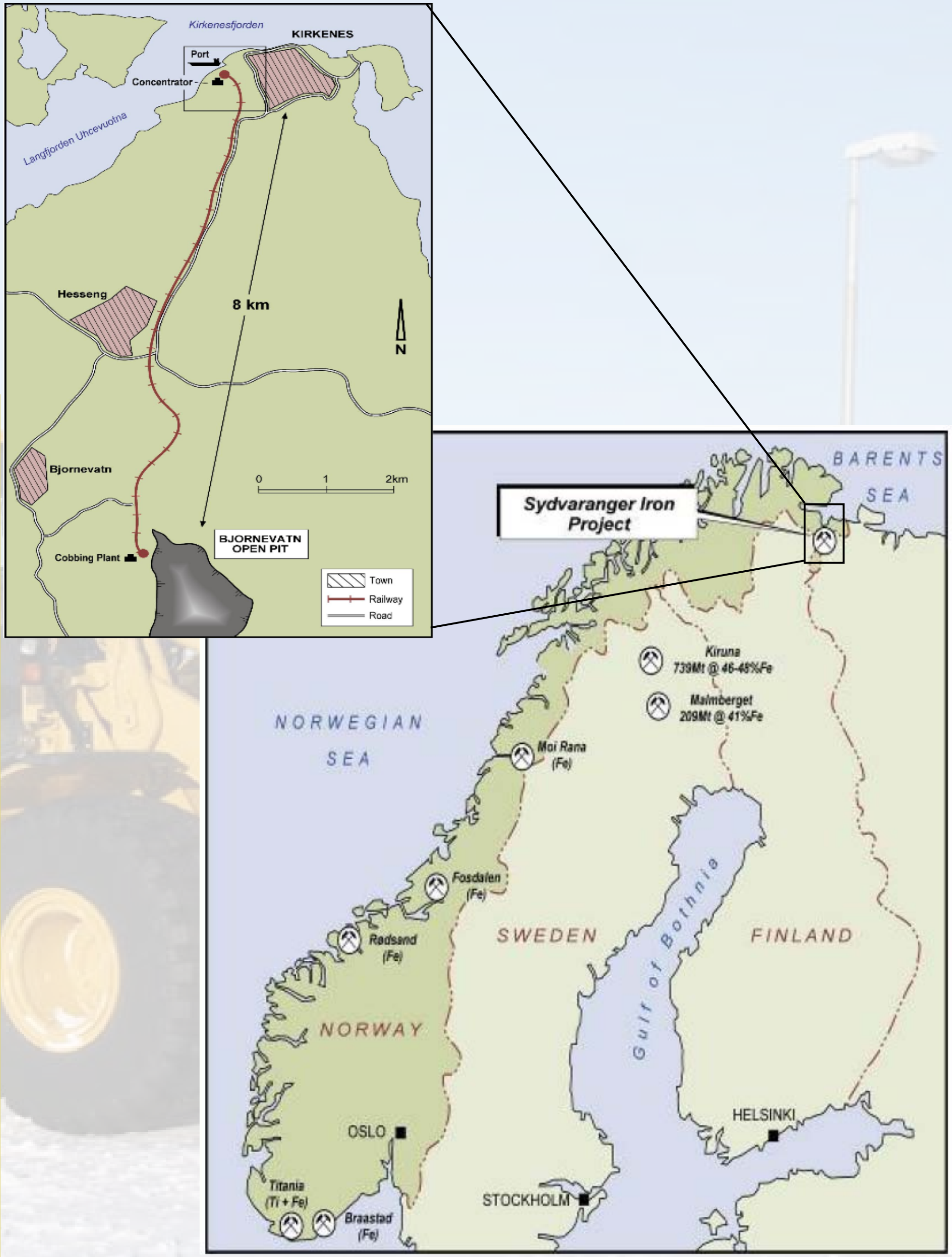
Senior Management

- Managing Director / CEO
  - John Sanderson
- Chief Financial Officer
  - Antony Beckmand
- Chief Operating Officer
  - Expected to join August 2010
- Mine Manager
  - Daniel Pop
- Processing and Rail Manager
  - Rob Brown (joins June 2010)

Project Location & History

Sydvaranger iron mine, Norway

- Operated in Norway from 1910 to 1997
- During that time over 200Mt of ore was mined
- Well known, high quality magnetite concentrate (67.5% Fe) with low levels of impurities
- Mine closed after the end of Cold War
- NIL floated on the ASX in Dec 2007
- Construction commenced in January 2008.
- First concentrate produced Oct 2009
- First shipment Nov 2009



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Project Overview

2009 in Review

- Highlights
  - First mining with company equipment in May 2009
  - First concentrate produced October 2009
  - Increased reserves and resources
  - Recruitment of an operations team at Kirkenes - 291 employees by May 2010
  - Recruitment of a new senior management team to manage the transition from construction to operations.

- Lowlights
  - Construction project USD 98.4 m over budget.
  - Project delivered 4 months later than scheduled.
  - Net loss after tax of $AUD 100.5 m of which half was due to foreign exchange losses.

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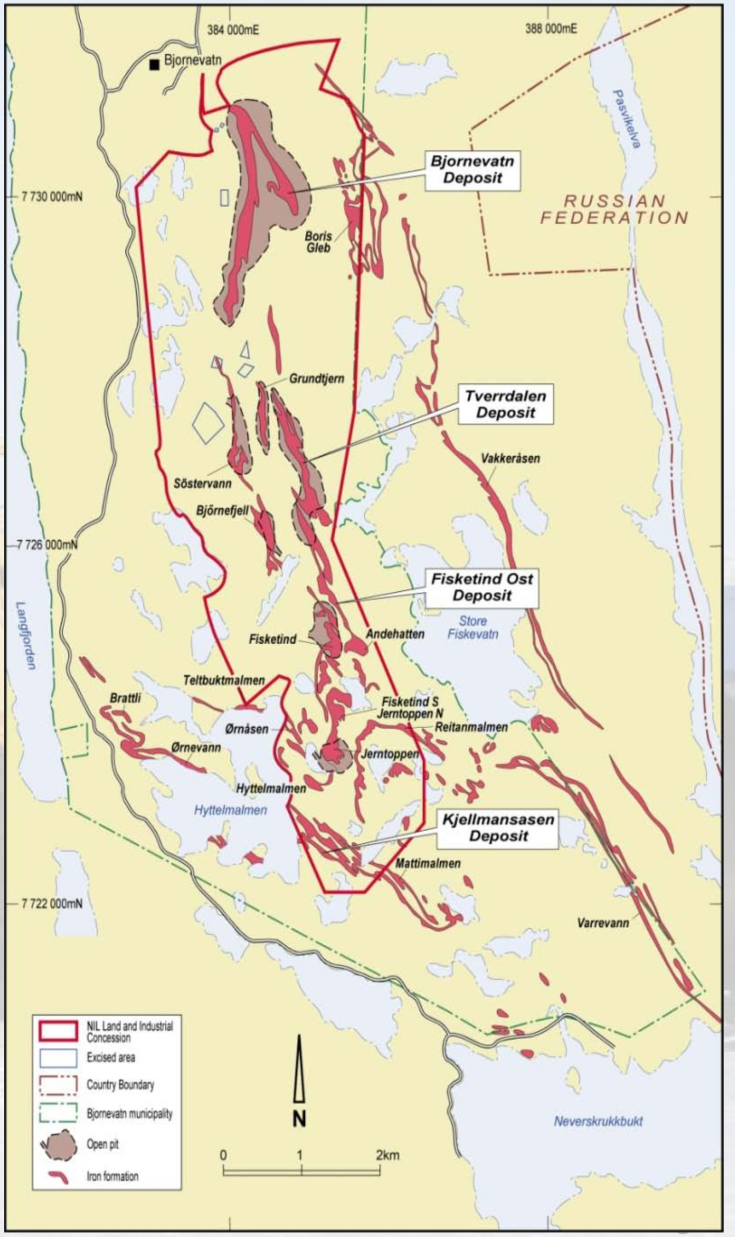
Resource Portfolio

Mineral Resource Summary as at 28 February 2010 (at 15% Fe total cut-off grade)						
Prospect	**Indicated (Mt)**	**Fe (Tot al%)**	**Inferred (Mt)**	**Fe (Total %)**	**Total Tonnes (Mt)**	**Fe (Total %)**
Bjørnevatn	152	32	138	30	290	31
Kjellmanns åsen	18	34	5	30	23	33
Fisketind Øst	11	31	19	31	30	31
Tverrdalen	20	32	26	31	46	31
Hyttemalm en	3	34	1	32	4	33
Bjornfell			14	32	14	32
Söstervann			5	37	5	37
Grundtjern			3	34	3	34
Fisketind SW			17	33	17	33
Jerntoppen			17	31	17	31
Total	**204**	**32**	**245**	**31**	**449**	**31**

Reserve Summary as at 28 February 2010 (at 15% Fe total cut-off grade)		
Prospect	**Probable Reserve (Mt)**	**Fe (Total%)**
Kjellmannsåsen	16.5	32
Hyttemalmen	3.0	33
Bjørnevatn	90.5	32
Tverdalen	11.2	31
Fisketind Øst	6.7	30
Total	**127.9**	**32**



Marketing

- Offtake Agreements
  - Corus UK:
    - 5 year offtake agreement for 1.25 Mtpa, with an option for a further 0.5 Mtpa.
    - Contract deliveries will not commence until quality improves, expected H2 2010. Full contract rates expected Q1 2011.
  - Sinosteel Australia
    - 1 year benchmark sales contract for 0.5 Mt (expires Oct 2010)
    - Spot sales contract for 0.2 Mt
  - Prominvest SA
    - Forward sales agreement signed in January for 0.4 Mt shipped during 2010
  - Future Arrangements
    - Marketing agreement to be negotiated with OM Holdings Ltd for uncommitted sales into Asia.
  - Currently there is strong demand for the Sydvaranger product in the Chinese spot market.

Challenges

- Product Quality
  - Coarse silica rich particles are decreasing the concentrate quality
  - The challenge is being addressed by:
    - Increasing secondary milling capacity (expected July '10)
    - Installation of screens to remove the oversize (expected Oct '10)
    - Installation of a new filter (expected July '10)

- Production Volumes
  - Bottleneck is filter capacity (restricted to 75% nameplate capacity)
  - Commissioning related issues have resulted in lower than expected production in late 2009 and early 2010.
  - The issues are being addressed and once fixed are not expected to reoccur.

Challenges – Rectification Program

Project	Scheduled	Expected
Old Derrick Screens	Feb’10	Complete
Stack Sizers	Jan ’11	Oct’10
Additional Secondary Mill	May ’10	May ’10
Pressure Filter	Jul ’10	Jul ’10
Additonal Magnetic Separators	Jun ’10	Jun ’10
New Crusher Screen (CR’s 3 / 5 & 6)	Jun ’10	Jul ’10

The new screens (stack sizers) are now expected to be in operation 3 mths earlier than scheduled.

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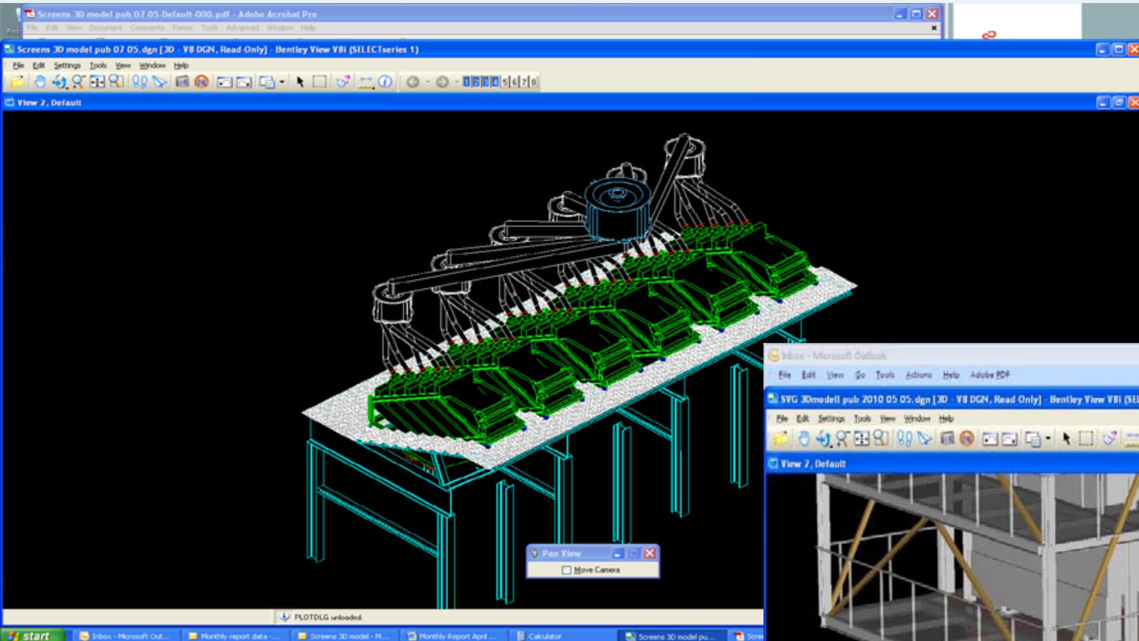
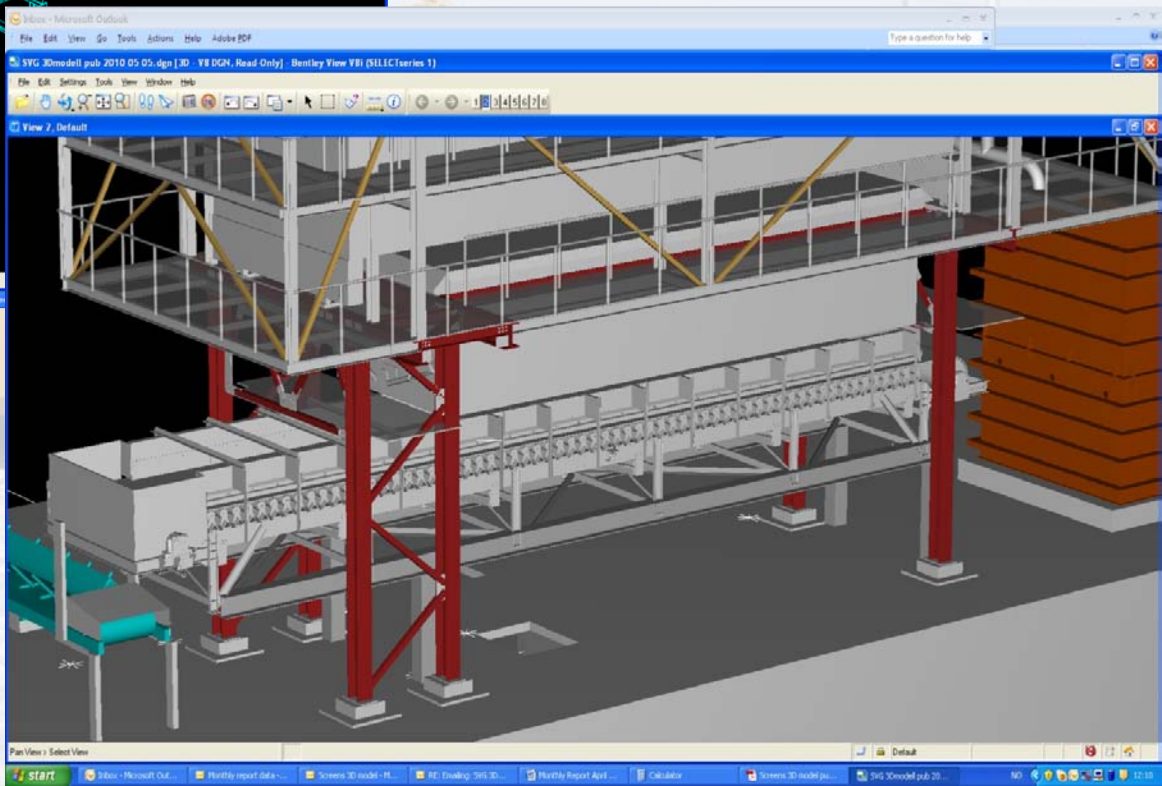
Challenges – Rectification Program



Stack-sizers – due Q4 2010



New Pressure Filter, due July 2010

Challenges – Rectification Program

Concrete cutting for new filter position

New magnetic separators 80% complete

Growth

- Expansion
  - An expansion study was conducted in 2008 that identified concentrate production could be doubled to 5.6 M dmt for an approximate cost of USD 200.0 M
  - Work has commenced to select a consultant to perform the environmental consequences report required by the Norwegian authorities.
- New Products
  - An application is before the Norwegian authorities to reintroduce the flotation circuit, which would produce a very high quality concentrate. A decision is expected in Q3 2010.

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Summary & Investment Highlights

Metric	
Ore Mined	7.0 Mt per annum (nameplate)
Concentrate Produced	2.8 M dry tonnes per annum (nameplate)
Expected Operating Cost	Average USD 37 / dmt
First Sales	November 2009
Concentrate Quality (post rectification)	67.5% Fe with very low levels of impurities
Indicated and Inferrred Resources	449 Mt @ 31 % Fe_{total}
Probable Reserves	127.9 Mt @ 32 % Fe_{total}
Mine Life	18 yrs @ 7 Mtpa ore mined
Expansion	Additional 2.8 M dmt per annum for USD 200m capital investment
Infrastructure	Railway owned; Port on long term lease (25 year + extension options), guaranteeing first access.

JORC Statement

The information in this report that relates to Mineral Resources is based on information compiled by David Slater, who is a member of the Australian Institute of Mining and Metallurgy. David Slater is employed full time by Coffey Mining Pty Ltd. David Slater has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. David Slater consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Reserves is based on information compiled by Mr Stuart Cruickshanks, who is a member of the Australian Institute of Mining and Metallurgy. Mr Stuart Cruickshanks is employed full time by Coffey Mining Pty Ltd. Mr Stuart Cruickshanks has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Stuart Cruickshanks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.