

Building South Australia's Largest Iron Ore Project

Briefing to the Regional Communities Consultative Council (RCCC)
Wudinna, South Australia, 28 September 2012



Disclaimer

Forward-Looking Statements

This presentation contains forward looking statements concerning the projects owned by Iron Road Limited. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. 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 management's 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. Data and amounts shown in this presentation relating to capital costs, operating costs and project timelines are internally generated best estimates only. All such information and data is currently under review as part of Iron Road Limited's ongoing development and project studies. Accordingly, Iron Road Limited cannot guarantee the accuracy and/or completeness of the figures or data included in the presentation until the project studies are completed.

Competent Person's Statements

The information in this report that relates to Exploration Results is based on and accurately reflects information compiled by Mr Larry Ingle, who is a fulltime employee of Iron Road Limited and a Member of the Australasian Institute of Mining and Metallurgy. Mr Ingle has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking 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. Mr Ingle 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 Resources is based on and accurately reflects information compiled by Mr Iain Macfarlane and Mr Alex Virisheff, both of Coffey Mining Ltd, who are consultants and advisors to Iron Road Limited and Members of the Australasian Institute of Mining and Metallurgy. Mr Macfarlane and Mr Virisheff have sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity 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 Macfarlane and Mr Virisheff consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Exploration Targets

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information in this presentation relating to exploration targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context. Any potential quantity and grade is conceptual in nature, since there has been insufficient work completed to define them beyond exploration targets and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

Overview – What is CEIP?

Central Eyre Iron Project (CEIP)

- Large scale magnetite iron ore project, on Eyre Peninsula
- Second largest resources project in South Australian history (after Olympic Dam)
- First stage study indicates robust project economics
- Final study assessing production of 20Mtpa
- Evaluating a project life in excess of 30 years

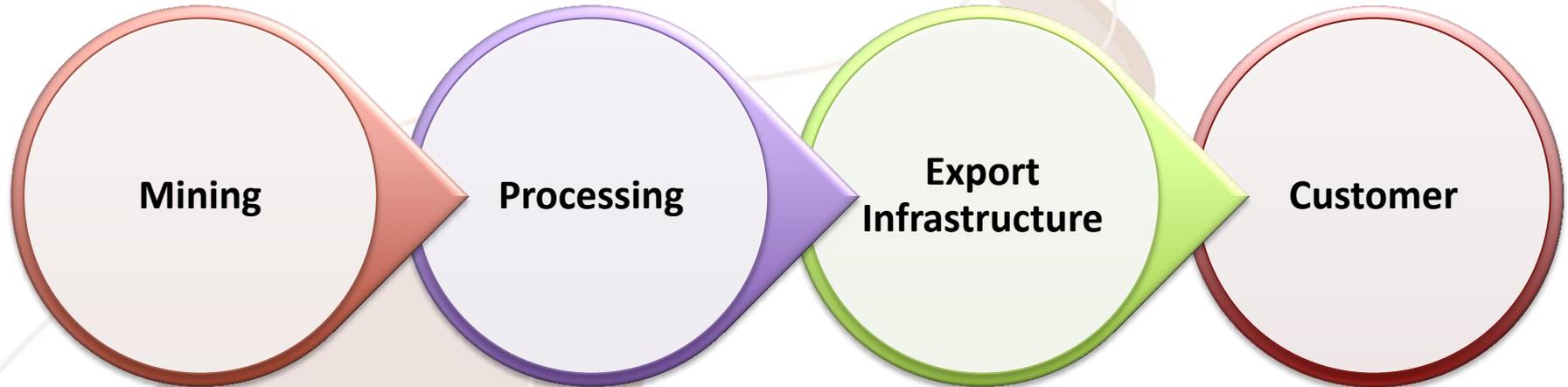
Moving ahead

- Final study underway
- Includes assessment of third party and independent port and rail options
- Mineral Resource expansion, conversion and geotechnical drilling





Components of CEIP



- Mine site located near Warrambo
- Open pit mining
- Will require management of local impacts

- Located at mine site
- Upgrades raw mined ore to premium saleable product
- Requires new power line and water supply

- Rail line to port located on east coast of Eyre Peninsula
- Rail corridor to align with existing infrastructure where possible

- Final Product - iron concentrate, suitable for direct use in sinter plants (first stage of steel blast furnace)

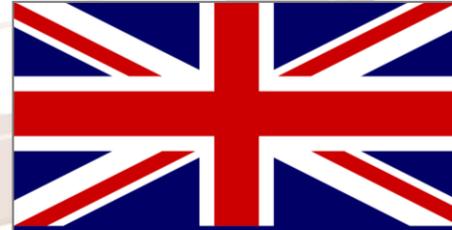
Final Study Stage Underway

- Final Study Stage (or Definitive Feasibility Study – DFS) currently underway prior to financing and construction
- Production rates of 20 million tpa being assessed in DFS work
 - Would place CEIP as one of the larger iron ore mines in Australia
- Over 25 direct employees working on study
 - Infrastructure, mining, geology, metallurgy and social aspects
 - Substantial contractor work on engineering and design also occurring
- Recently raised \$40M to continue activities

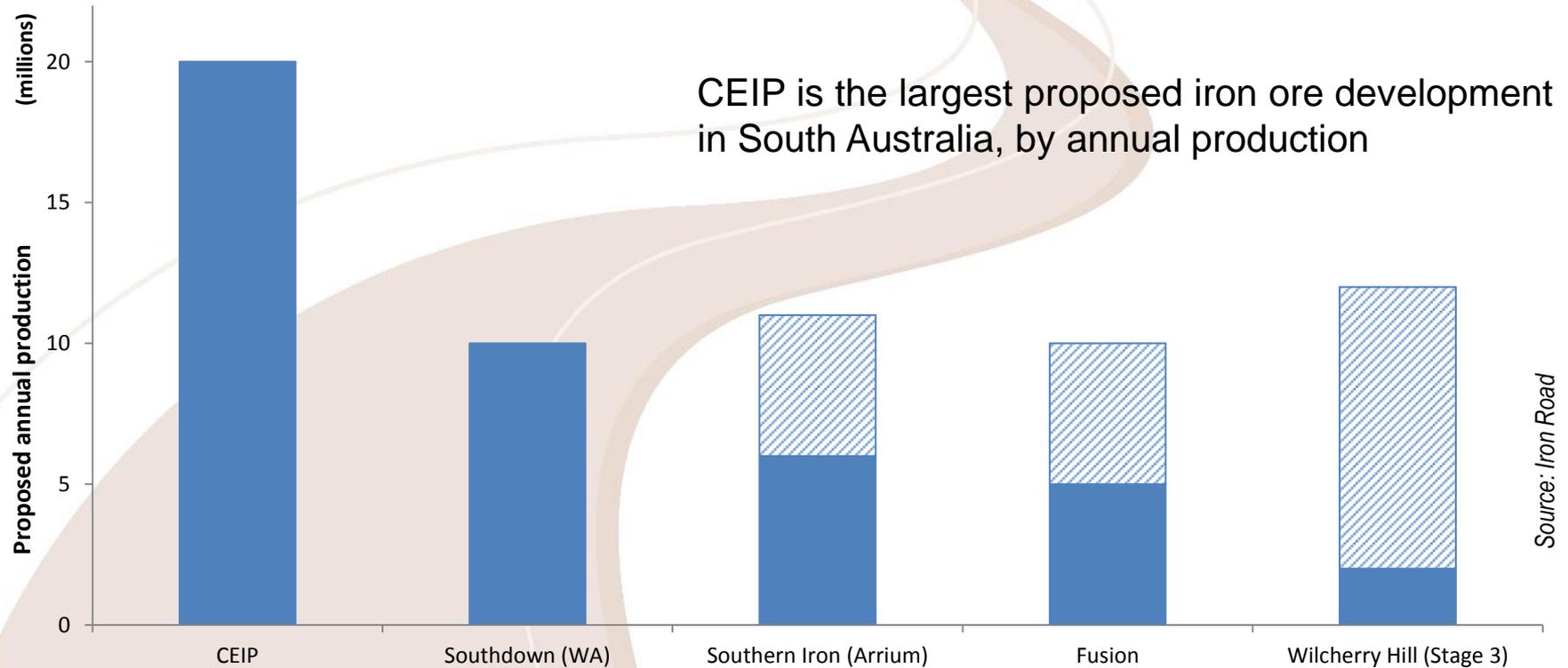


What does this mean for South Australia?

- Direct Employment – over 1000 during construction, ~500 during operation
- Significant flow on employment effects
- Thirty year plus life – not a quick shot in the arm, long term stable source of employment
 - Mining professionals may spend nearly entire career at CEIP
- State Royalty payments for iron ore
- Catalyst for regional infrastructure upgrades
 - principally power

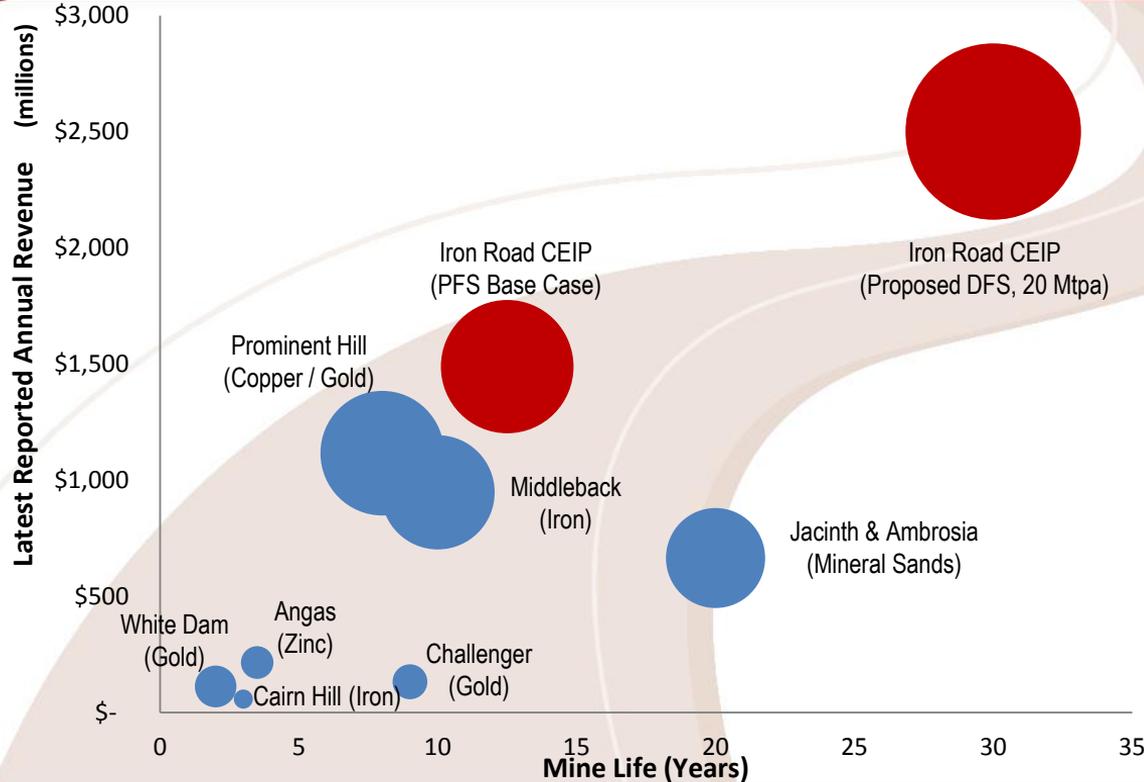


How Big is CEIP? Comparison to SA Projects



Source: Iron Road

How Big is CEIP? Comparison to SA projects



CEIP is a large scale project with both longer estimated mine life and larger projected yearly revenues than a number of well known projects

Source: Iron Road. PFS base case uses PFS long term IO price and exchange rate. Proposed DFS uses PFS prices and Opex, over DFS production. Bubble size indicative of yearly free cash flow.

Mining and Processing

- Large scale conventional mining
- PFS “base case” open cut operation, with low strip ratio of 0.8 to 1 (ratio of waste to ore)
- After mining, ore treated on site by concentrator
- Consists of crushing, grinding, magnetic separation
 - Common process in mining, not new technology
 - Mechanical processes, not chemical
- CEIP concentrate is very coarse – requires lower grinding compared to other projects
- Final product very high quality, low in impurities



Export Infrastructure

DFS examining export route scenarios

- Water supply independent of existing infrastructure
 - Sea water to be used in the process plant
 - Small desalination plant on site
 - Using seawater results in 90% reduction of potable water use
- High voltage power upgrade
 - Ideally any new power infrastructure will serve entire district, not just Iron Road
- Infrastructure corridor for water, power and rail



Rail



- Technical review of potential rail route ongoing
- Alignment preference is to bypass towns
- Project will utilise latest standard gauge railway
- Rail corridor ideally to be utilised for other infrastructure – water pipeline, power

Port

- East coast of Eyre Peninsula offers sheltered, deep locations with minimal construction required
- Must serve a variety of vessel sizes up to Cape size – same as Pilbara
- Port site selection currently underway
 - Third party port; or
 - Large Iron Road lead facility (+30Mtpa)
- Iron Road port study
 - Environmental surveys advanced
 - Wave data collected
 - Orientation of jetty determined
 - Vessels up to 220,000 DWT



Community Engagement



- Company wide commitment and interest in community engagement
- Iron Road is committed to taking its place as a member of the communities in which we operate
- Investing in local social infrastructure - major sponsor and supporter of local community events since 2009
- Toll free contact number and extensive community programmes in place
- Development will bring many opportunities to the region



We enthusiastically explain what we are aiming to achieve and are increasing our knowledge about local farming and other businesses and the issues faced by them.

Community Feedback



- Community will remain at the heart of future developments
- Iron Road has a focus on openness and transparency
 - Don't "gild the lily" with communities
 - There will be impacts
 - Seek community input on how to mitigate impacts AND deliver positives as part of process
 - Eg. local infrastructure upgrades
- Local stakeholder committees being united into one consultative committee to provide a principal conduit

Summary



- Building long life operation
- Significant boost to South Australia
- Project will underpin infrastructure improvements across the Peninsula
- This project will support the case for other businesses
- Community remains at the heart of our decisions
- Mining and Agriculture can co-exist





On the Road to Production

Subscribe to alerts online
www.ironroadlimited.com.au



Appendix – CEIP Resource Statement

Central Eyre Iron Project Global Mineral Resource Estimate							
Location	Classification	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Murphy South	Indicated	1,108	16.0	53.2	12.9	0.08	0.4
	Inferred	668	16.4	52.7	12.8	0.08	1.3
Boo-Loo	Inferred	328	17.3	52.4	11.5	0.09	2.1
Total		2,104	16.2	52.9	12.7	0.08	1.0

The Murphy South and Boo-Loo mineral resource estimates were carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd.