

Through the Looking Glass A Look Into Iron Road's Future

Annual General Meeting, 23 November 2012



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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.

Iron Road's Vision

Iron Road's vision is to become a trusted and reliable supplier of premium iron concentrates to the Asian marketplace.



Iron Road's Strategy

Key to achieving this vision is IRD's pathway to development that recognises current market constraints and utilises the common product specification of its two South Australian resource districts to enable a flexible development strategy.

Central Eyre Iron Project

- Large, 20Mtpa development that requires an industry partner to finance and develop rail and port infrastructure

Gawler Iron Project

- Potential for small 1-2Mtpa development that can provide early sustaining cash flows
- Close to established rail infrastructure with port access
- Provide product to gain early market acceptance for CEIP analogous product

Board & Management

2012 has been a year of transformation in preparation for execution of our strategy

Board

Peter Cassidy	Non-executive Chairman
Julian Gosse	Non-executive Director
Ian Hume	Non-executive Director
Jerry Ellis	Non-executive Director
Leigh Hall AM	Non-executive Director
Andrew Stocks	Managing Director

Shading represents appointment since last AGM

Shading represents employee in place at last AGM

Management

Larry Ingle	General Manager
Alan Millet	Infrastructure Manager
Aaron Deans	Project Manager
Fop Vanderhor	Project Manager, Gawler
Jeff Reilly	Marketing Manager
Laura Johnston	Regulation & Approvals Manager
Lex Graefe	Chief Financial Officer
Milo Res	Geology Manager
Nicole Semler	Metallurgy Manager
Peter Bartsch	Study Manager
Sharon Schumacher	Project Controls Manager
Simon Telford	Commercial Manager
Steve Green	Environmental Manager
Tim Elmer	Mining Manager

Through the Looking Glass

Through the Looking Glass – Our Natural Advantage

Magnetite gneiss

- Earth's forces have done much of the hard work for us
- The rock has been heated to $\sim 1000^{\circ}\text{C}$, typically banded iron formations heated only to $\sim 300^{\circ}\text{C}$
- Expels many impurities
- Analogous to glass
- Results in coarse brittle rock, easily processed
- Does not require pelletising
- Different to typical fine grained, hard to grind BIF magnetite
- Strategy to acquire these types of deposits



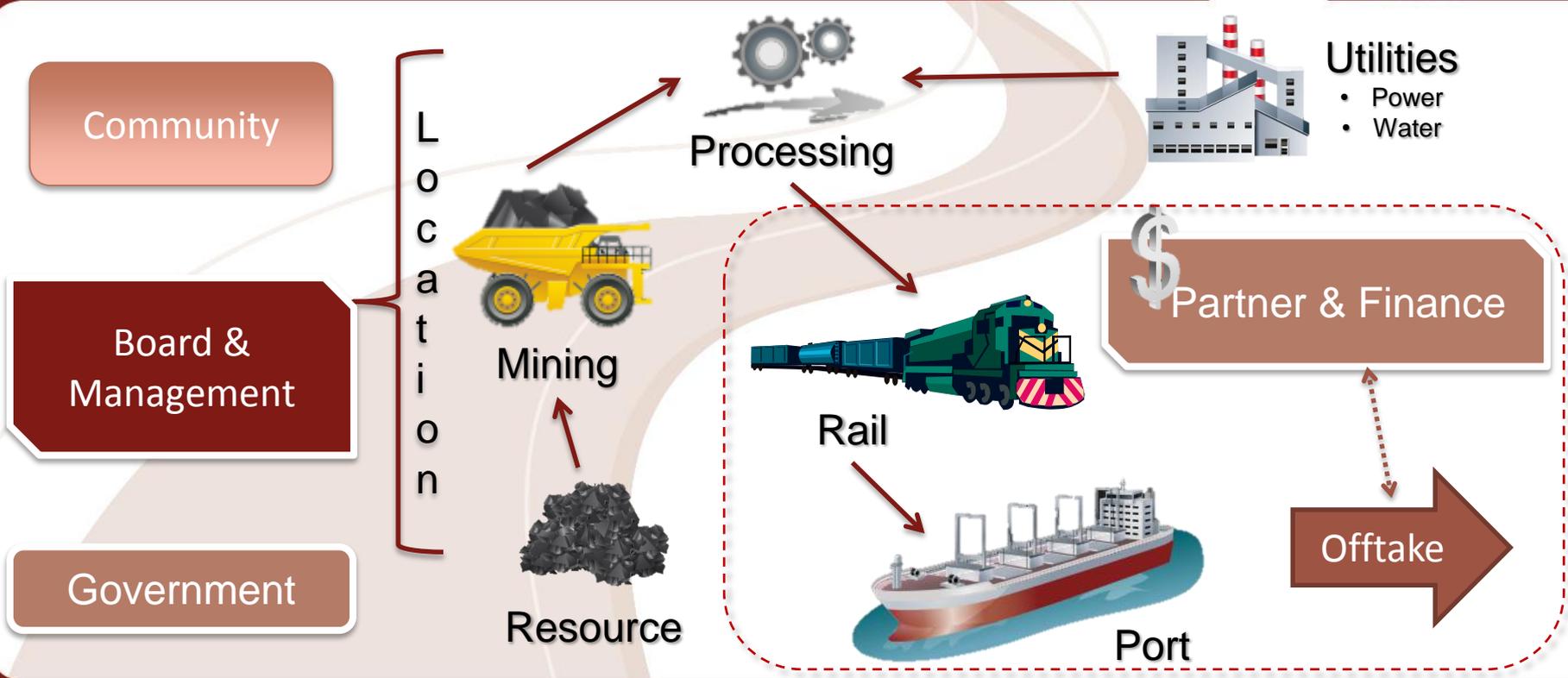
Central Eyre Iron Project

Large, long life project with an opportunity for an industry partner to finance and build infrastructure

- Iron Road currently 100%
- Mineral Resources are of sufficient scale to support long life operations, plant and infrastructure funding requirements
- Premium product for a growing market
 - Typical sinter feed quality is reducing over the long term; however
 - Iron Road will provide consistent high quality concentrate to the sinter market



Vision of a Successful CEIP

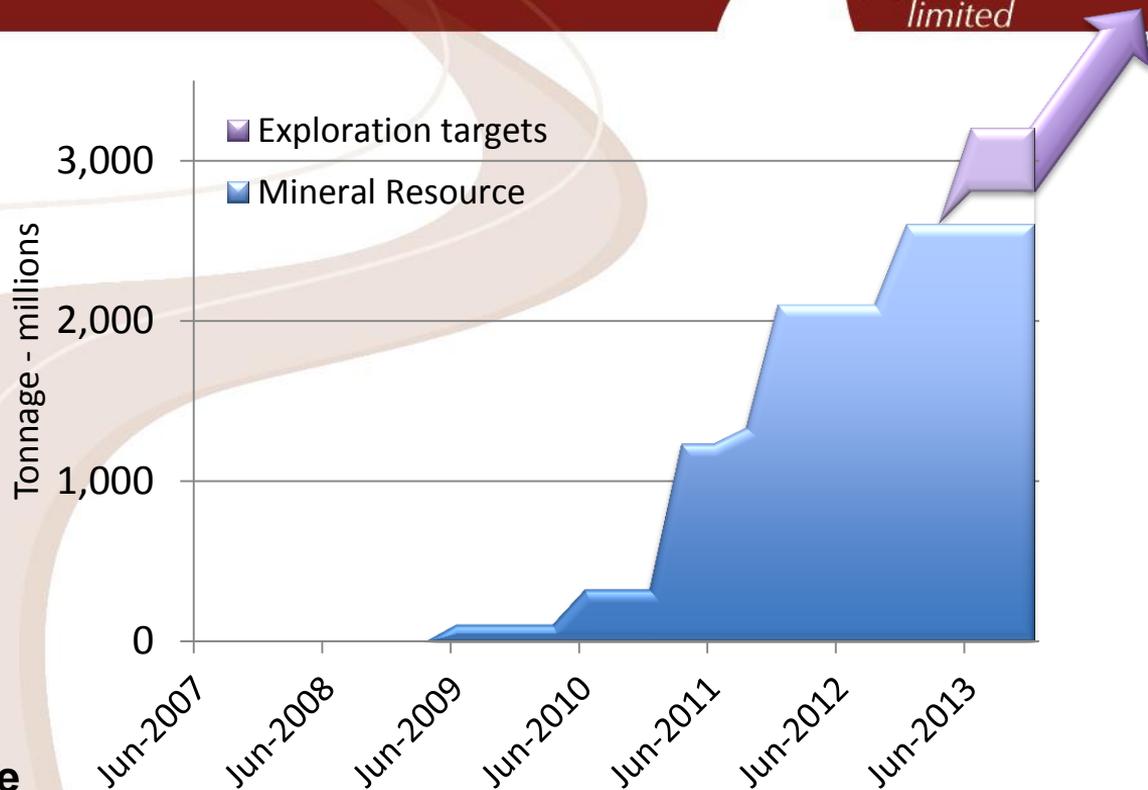


One Billion Tonnes of Concentrate

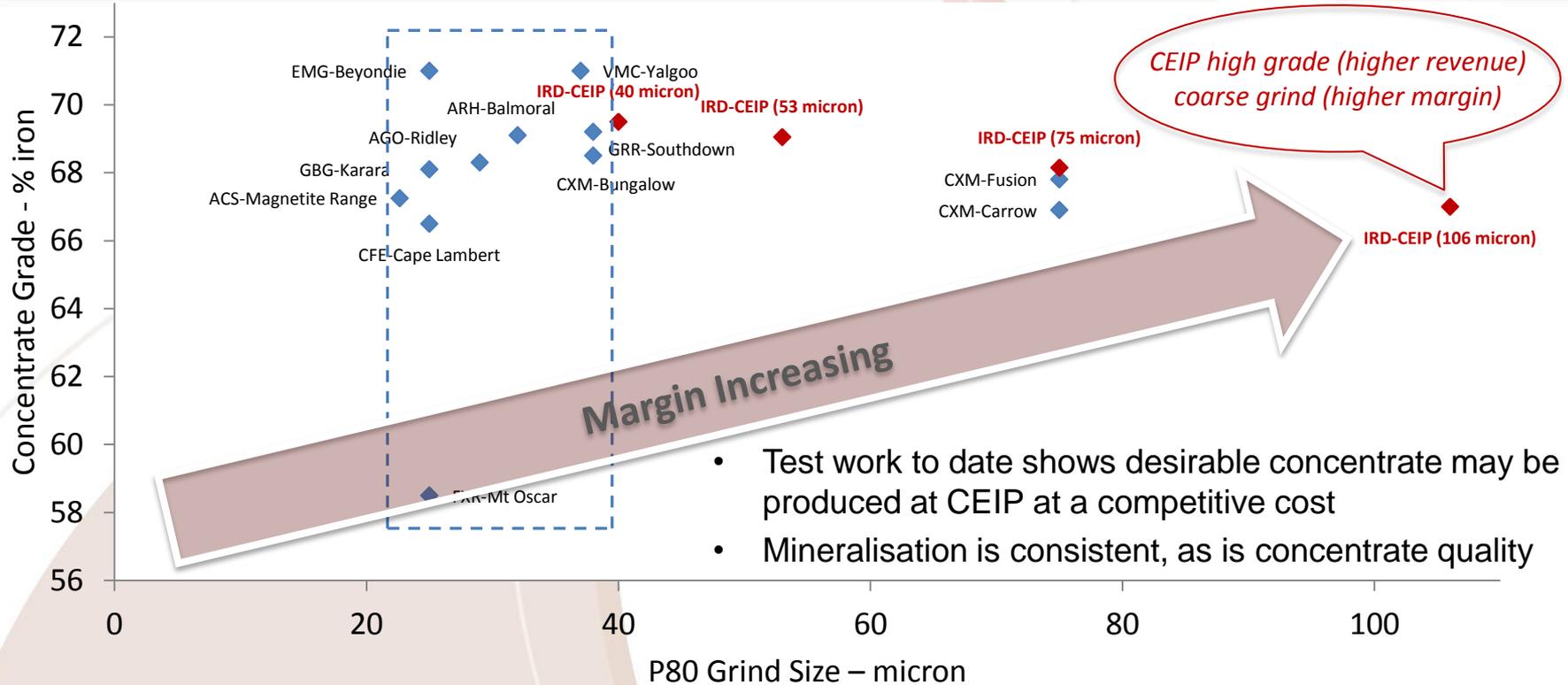
Significant Resource base and growing – underpins very long life operation

- Current Mineral Resource 2.6 billion tonnes @ 16.8% Fe*
- We now believe that the ultimate Mineral Resource is likely to be at the upper end of the Exploration Target of 2.8-5.8 billion tonnes @ 18-25% Fe* reported in 2009

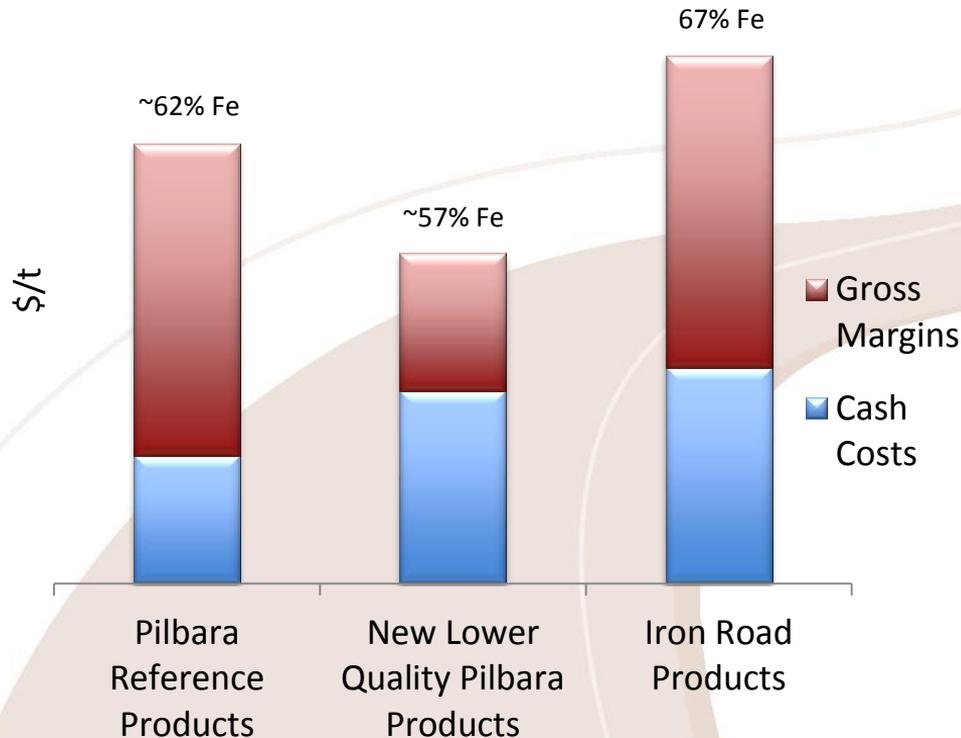
Project could therefore deliver one billion tonnes of concentrate



Premium Grades, Lower Processing Costs



High Quality IRD Product Versus Pilbara



Steel mills will pay a **quality differential** for IRD concentrates

- Value-in-use characteristics confirmed for CEIP concentrate in Japanese and Chinese testing
- Primary value-in-use benefits derived from increasing efficiency, productivity improvements and reduction of input costs by using IRD concentrates
- Steel mills derive significant benefits using IRD concentrates in their battle with declining quality

Mining

- Large scale conventional mining
 - standard drill, blast, load, haul operations
- PFS “base case” open cut mining operation, low strip ratio of 0.8 to 1 (ratio of waste to ore)
- Proven, off-the-shelf equipment

*Typical excavator
Cat 6090, 980 tonne machine*



Processing

- After mining, ore upgraded by on site concentrator
- Process consists of crushing, grinding and magnetic separation
 - Common process, not new technology
 - Mechanical processes, not chemical
- After separation, ore is stockpiled for load-out onto trains
- Proven, off-the-shelf equipment



Aerial view of the Karara Iron Project

Rail and Utilities



- Project will utilise standard gauge railway
- Technical review of potential rail routes
- Significantly shorter than Pilbara and Brazilian routes
- Alignment preference is to bypass towns
- Rail corridor to be utilised for other infrastructure – power, water pipeline
- Water supply from outside district, independent of existing local supply structure
- High voltage power upgrade – ideally will serve entire district, not just CEIP
- Proven, off-the-shelf equipment

Port

- East coast of Eyre Peninsula offers sheltered, deep locations with relatively short jetty required reducing capital cost
- To serve variety of vessel sizes up to Cape size – same as Pilbara
- Port site land acquisition currently underway for Iron Road sponsored facility
 - Large multi-user facility (+30Mtpa)
 - No dredging or breakwater required
 - Further expansion potential for multi-user access
- Watching brief on two third party options, though both offer uncertain suitability and timing



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
- Programme expanding to include infrastructure areas
- Development will bring many opportunities to the region

Gawler Iron Project

Potential for small 1-2Mtpa development that may provide early sustaining cash flows

- Iron Road 90%
- Average in situ grades ~25% iron, with higher grade zones of ~36% iron
- Metallurgical study of several composite samples indicates excellent beneficiation characteristics
 - 67-71% Fe (p80 @ 106 μ m)
- Mineral Resource drilling contract awarded
- Scoping study underway



Gawler Conceptual Plant Layout

- Modular plant layout
- Modules to be designed for rail transport.
- ~25km from Trans-Australian rail with connection to bulk ports
- Dry process flow sheet. Minimal water required reducing costs
- High quality iron concentrate with similar characteristics to that expected from CEIP



Capital Efficiency

Iron Road seeks to measure the effectiveness of capital utilisation

- Discovery cost to date 2.6 cents per Mineral Resource tonne
- Discovery cost to date 10.6 cents per concentrate tonne



Drilling here, drilling there: our top five

■ Nick Evans

So who are the companies who are keeping it tight and, presumably, actually running aggressive drilling programs?

The top five companies all spent less than 10 per cent of their total operational outgoings on administration. They spent a combined \$81 million on exploration, and only \$6.2 million on administration.

Iron Road (IRD): South Australian iron ore play, moving towards a 12.4 million tonne a year mine. Conducting a definitive feasibility study on its Central Eyre project, after delivering a pre-feasibility study in June last year.

Sihayo Gold (SIH): Indonesia-focused gold play, with a 1.4 million ounce resource at its Sihayo-Sambung project. Conducting a definitive feasibility study, targeting

The Year Ahead

CEIP

- i. Delineate a further 400-500Mt of magnetite gneiss with a grade of 16-18% iron at CEIP for 3.0-3.1Bt of Mineral Resource. This would equate to over 500Mt of deliverable magnetite concentrate
- ii. Lodge Mining Lease Application
- iii. Lodge application for Major Project status with Minister for Planning
- iv. Complete DFS by Dec 2013

Gawler

- i. Establish maiden Mineral Resource for Gawler with a target of 55-95Mt of magnetite with a grade of 20-25% iron, equating to over 15Mt of magnetite concentrate
- ii. Complete Gawler scoping study by June 2013

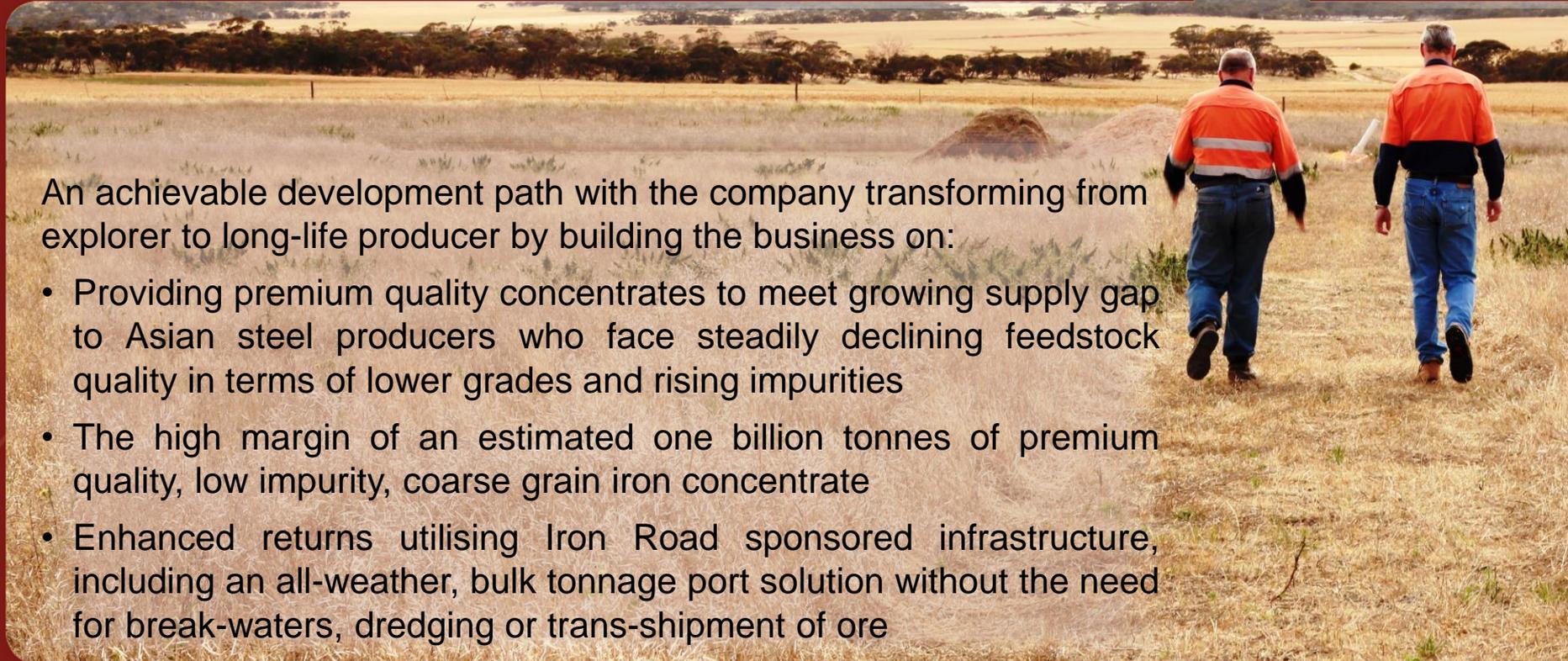


Concluding views through Iron Road's “Looking Glass” sees...



An achievable development path with the company transforming from explorer to long-life producer by building the business on:

- Providing premium quality concentrates to meet growing supply gap to Asian steel producers who face steadily declining feedstock quality in terms of lower grades and rising impurities
- The high margin of an estimated one billion tonnes of premium quality, low impurity, coarse grain iron concentrate
- Enhanced returns utilising Iron Road sponsored infrastructure, including an all-weather, bulk tonnage port solution without the need for break-waters, dredging or trans-shipment of ore



Another View Through The Looking Glass

“IRD may also gain synergy benefits in the future from its first mover advantage in building strategic infrastructure in the region.” *

“Our modelling suggests that even after dilution the stock could be worth at least 10 times the current share price at start up...” *

* Blue Ocean Equities Pty Limited research dated 8 November. Available at www.ironroadlimited.com.au





On the Road to Production

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Appendices



Appendix 1 – 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	53	13	0.08	1.3
Boo-Loo	Inferred	328	17	52	12	0.09	2.1
Rob Roy	Inferred	493	16	54	13	0.08	0.4
Total		2,597	16	53	13	0.08	0.8

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