

The Manager
Company Announcements Office
ASX Limited

Dear Sir/Madam

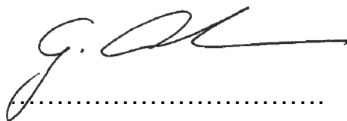
**Iron Road Limited Entitlement Offer –
Notice of despatch of offer documents to Eligible Shareholders**

We refer to the fully underwritten 1 for 1 non-renounceable pro-rata entitlement offer announced by Iron Road Limited ACN 128 698 108 on 13 June 2013 (**Entitlement Offer**).

Iron Road confirms that it has today despatched the offer booklet in relation to the Entitlement Offer and personalised entitlement and acceptance forms to Eligible Shareholders (as defined in the offer booklet).

Please find attached a copy of the offer booklet as despatched and a sample entitlement and acceptance form. Shareholders should refer to this offer booklet for information about the Entitlement Offer.

Yours sincerely,
Iron Road Limited



Graham Anderson
Company Secretary

Iron Road Ltd

Entitlement Offer

Iron Road Ltd ACN 128 698 108

Details of a 1 for 1 non-renounceable pro-rata entitlement offer of Iron Road Ltd ordinary shares (**New Shares**) at an issue price of \$0.18 for each New Share

Offer closes 5pm (AEST) on Tuesday, 16 July 2013

This is an important document which is accompanied by a personalised Entitlement and Acceptance Form for you to subscribe for New Shares in Iron Road. Please read this document carefully and call your professional adviser if you have any queries.

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Share Registry

Security Transfer Registrars Pty Limited

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APPLECROSS, WA 6153

ASX Listing Code

IRD

Important notices

Forward looking statements

*This booklet contains forward-looking statements, opinions and estimates including statements regarding the future development of Iron Road's projects, the progress and outcome of the scoping and feasibility studies and the outcome and use of proceeds of the Entitlement Offer. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this booklet and the attached materials. Some of these risks and uncertainties are described in **section 4** of this booklet. You should not place undue reliance on these forward-looking statements. These forward-looking statements are based on information available to Iron Road as of the date of this booklet. Except as required by law or regulation (including the ASX Listing Rules) Iron Road undertakes no obligation to update these forward-looking statements.*

Enquiries

If you have any questions, please consult your stockbroker, accountant or other professional adviser.

Key offer dates

Announcement of the Entitlement Offer	Thursday, 13 June 2013
Ex-date	Monday, 17 June 2013
Record Date (7pm AEST)	Friday, 21 June 2013
Despatch of Offer booklet and Entitlement and Acceptance Forms	Tuesday, 25 June 2013
Entitlement Offer opens	
Entitlement Offer closes (5pm AEST)	Tuesday, 16 July 2013
Deferred settlement trading on ASX commences	Wednesday, 17 July 2013
Iron Road notifies ASX of under subscriptions	Friday, 19 July 2013
Issue of New Shares under Entitlement Offer	Wednesday, 24 July 2013
Deferred settlement trading ends	
Issue of New Shares under shortfall institutional bookbuild	
Notify Underwriters of under subscriptions	
Entitlement Offer New Shares commence normal settlement trading on ASX	Thursday, 25 July 2013
Issue of New Shares to Underwriters	Tuesday, 30 July 2013

Applicants are encouraged to submit their Entitlement and Acceptance Forms as soon as possible after the Entitlement Offer opens. Iron Road reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws to vary the dates of the Entitlement Offer, including extending the Closing Date or accepting late applications, either generally or in particular cases, without notice. You cannot, in most circumstances, withdraw your application once it has been accepted.

Board Letter

13 June 2013

Dear Shareholder

Iron Road Ltd underwritten capital raising – Entitlement offer

On behalf of Iron Road Ltd (**Iron Road**), I am pleased to invite you to participate in a 1 for 1 non-renounceable pro-rata entitlement offer of Iron Road ordinary Shares (**New Shares**) at an issue price of \$0.18 for each New Share (**Entitlement Offer**).

The Entitlement Offer will raise approximately \$50.7 million (after the costs of the Entitlement Offer).

Iron Road is approaching completion of our definitive feasibility study (**DFS**) for the Central Eyre Iron Project. With this raising, we expect to be able to take the DFS to completion around the end of 2013.

There is little doubt that the greatest value that could be delivered to Shareholders would be if Iron Road can successfully move to construction and operation of the CEIP, following DFS and financing completion.

Successful completion of the DFS will endorse the project fundamentals and allow us to confidently progress our partnership and financing discussions towards conclusion – necessary pre-conditions to construction and then production at CEIP. The Board believes this has the potential to create significant long term value for Shareholders.

At a recent total of 3.7 billion tonnes in resources, Iron Road has booked an impressive amount of additional resources in the past 18 months, underpinning the projected long life economics of the project. CEIP was recently confirmed as hosting the largest Measured+Indicated magnetite resource in Australia and among the 20 largest in the world.

We have used the funds entrusted to us by Shareholders in the past wisely, with a continuing very high ratio of project expenditure to administration overhead. Gross costs to add additional tonnage in our most recent resource upgrade were a mere 0.67 cents per tonne. We expect to continue this strong tradition.

Alongside this, the significant endeavour of the DFS continues, taking into account not only mining and beneficiation but also rail, port and social infrastructure as well as marketing and various impacts assessments. At its conclusion, the DFS will represent the work and input of well over 300 professional contributors covering all aspects of the CEIP.

In order to complete these studies, and successfully move into financing and partnership discussions, Iron Road must raise further funds. Thus we have made the decision to raise sufficient funds to complete the DFS and support Iron Road to continue to progress approvals post completion of the DFS, well into 2014.

We have also retained flexibility to make acquisitions of strategic parcels of land that will support our integrated mine, rail and port development, as suitable opportunities arise.

Alongside development of the CEIP, we will also invest further into the Gawler Iron Project (**GIP**), post successful completion of the current scoping study, by conducting a full feasibility study. GIP offers us the potential for a 1-2Mtpa development that has the potential to provide early sustaining cash flows, and to give the market an early look at product similar to our product from CEIP.

The Board has determined that an Entitlement Offer is the best mechanism for offering equal participation for all Shareholders.

The Entitlement Offer is fully underwritten by two of Iron Road's largest Shareholders, being Sentient Fund IV and Sentient Fund III (together the **Underwriters**). As the Sentient Shareholders have a number of appointees on the Board (including the Chairman, Peter Cassidy), the independent directors (being Leigh Hall, Julian Gosse and Andrew Stocks) (**Independent Directors**) have taken primary responsibility for the structure of the Entitlement Offer and the underwriting arrangements.

It is unfortunate that changes in market sentiment evident over the past 12 months now see a company like Iron Road, which in the view of the Board has stronger fundamentals than at any time in its past history, now valued at less than it was some 12 – 18 months ago. This has occurred despite the substantial progress towards financing, construction and ultimately production made in the past 12 months.

The Independent Directors believe that the Entitlement Offer is in the best interests of Shareholders.

On behalf of the Board of Iron Road, I thank you for your continued support as an Iron Road Shareholder.

Yours sincerely



Julian Gosse

Independent Non-Executive Director

Introduction to Offer details

This booklet relates to the Entitlement Offer and contains a number of important parts and documents, including:

- an ASX announcement regarding the Entitlement Offer, which was released to ASX on 13 June 2013;
- Iron Road Investor Presentation, which was released to ASX on 13 June 2013;
- instructions on “How to Apply” setting out how to accept all or part of your Entitlement in the Entitlement Offer and how to participate in the Shortfall Facility if you choose to do so; and
- important legal information.

With this booklet you will also find your Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions provided on the form and the instructions on “How to Apply”.

The Entitlement Offer and applications to participate in the Shortfall Facility close at 5pm (AEST) on the Closing Date. To participate, you need to ensure that your completed Entitlement and Acceptance Form is received by Iron Road before this time and date OR you have paid your Application Monies via BPAY pursuant to the instructions that are set out on the Entitlement and Acceptance Form. Please refer to the instructions on “How to Apply” that accompany this letter for further information.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable.

In recognition of the importance of our Shareholders, the Board will offer to you access to any Shortfall through a Shortfall Facility. If you wish to take up more than your pro-rata allocation of New Shares you may do so by applying for the Shortfall in accordance with the instructions set out in this booklet.

You should obtain any professional advice you require to evaluate whether to participate in the Entitlement Offer. For further information regarding the Entitlement Offer please visit our website at www.ironroadlimited.com.au.

1 Iron Road's resources and use of proceeds

1.1 Proceeds of Entitlement Offer

The proceeds of the Entitlement Offer will be used to:

- (a) complete the DFS on the CEIP;
- (b) continue, as and when appropriate, the purchase of land required for the development of the CEIP; and
- (c) undertake feasibility studies on the GIP, subject to a successful scoping study outcome.

A breakdown of the proposed use of gross proceeds is set out in the table below:

Activity	Amount
DFS Mining and ore processing studies	\$8 million
Infrastructure studies covering rail, port, water and power requirements	\$13 million
Marketing and other minor studies, including study management	\$4.5 million
Environmental studies and CEIP approvals	\$5.5 million
Administrative and corporate costs	\$4 million
Opportune land acquisitions and, if necessary, can be used for corporate funding post mid 2014	\$7.7 million
GIP feasibility studies (post scoping)	\$6 million
GIP approvals	\$2.0 million
Entitlement Offer fees and expenses	\$1.7 million
TOTAL	\$52.4m

The funds to be raised provide for the completion of the DFS for the CEIP and to undertake a feasibility study for the GIP as well as corporate overheads through to the middle of 2014 (and, if necessary, some of the funds allocated to land acquisitions can be used for corporate overheads post mid-2014). Additionally, Iron Road will be continuing to seek appropriate partnership and financing arrangements throughout that period, so that alternate sources of funds become available to meet its ongoing needs as the projects are developed. In the event that neither of the projects proceed, the ongoing funding requirements will be relatively small given that the feasibility studies will have been largely completed.

Iron Road Shareholders should be aware that substantial further funding will be needed to develop and construct both the CEIP and GIP and should refer to

the risk factor in **section 4.1(d)** of this booklet for a further discussion of Iron Road's future capital requirements.

2 Details of the Entitlement Offer

2.1 Overview of Entitlement Offer

The Entitlement Offer is an offer to Eligible Shareholders of approximately 291 million Shares at \$0.18 for each New Share to raise approximately \$52.4 million (before costs).

2.2 Shortfall Facility

Subject to the Corporations Act, the requirements of the ASX Listing Rules and any other applicable laws, you may also apply for additional New Shares in excess of your Entitlement. To the extent that Eligible Shareholders do not take up their Entitlements in full, the resulting Shortfall will be allocated to those Eligible Shareholders who apply for additional New Shares (**Shortfall Facility**).

The following persons will not be entitled to submit applications under the Shortfall Facility:

- (a) the Underwriters or any sub-underwriter of the Entitlement Offer;
- (b) a Related Party of Iron Road; or
- (c) a Related Party or Associate of the Underwriters.

If applications under the Shortfall Facility exceed the Shortfall, the Shortfall will be allocated on a proportionate basis having regard to the relative registered holdings at 7pm (AEST) on the Record Date of all Shareholders who have applied for Shortfall Shares under the Shortfall Facility. To the extent that the Shortfall has not been fully allocated following this allocation, the remaining Shortfall will be allocated to Shareholders who did not receive all of the Shortfall Shares that they applied for under the Shortfall Facility, on a proportionate basis, having regard to their relative registered holdings at 7pm (AEST) on the Record Date. This method of allocation shall continue until all the Shortfall Shares have been allocated.

New Shares issued under the Entitlement Offer and Shortfall Facility will rank equally with existing Iron Road Shares.

2.3 Joint Shortfall Managers

Iron Road has also appointed CIBC Australia Ltd and Blue Ocean Equities Pty Limited as joint shortfall managers to the Entitlement Offer (**Joint Shortfall Managers**) to assist Iron Road with the placement to sophisticated and professional investors of any remaining Shortfall under the Entitlement Offer after applications under the Shortfall Facility have been fulfilled. To the extent there is sufficient demand for such remaining Shortfall, this will be conducted by way of an institutional bookbuild following the close of the Entitlement Offer. The Underwriters and their Associates, and Related Parties of Iron Road will not be permitted to receive any such New Shares. The Underwriters will take up any remaining Shortfall after this process.

The Joint Shortfall Managers will receive a total management fee of \$100,000 and 5% of the proceeds raised by the sale of any New Shares procured by the Joint Shortfall Managers.

2.4 No cooling off rights

Cooling off rights do not apply to an investment in New Shares under the Entitlement Offer or the Shortfall Facility. You cannot withdraw your Application or payment once it has been accepted.

2.5 No Entitlements trading

Entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable. Shareholders who do not take up their Entitlement in full will not receive any value in respect of those Entitlements that they do not take up. Furthermore you cannot, in most circumstances, withdraw the application once it has been accepted.

2.6 Quotation and trading

Iron Road will apply to ASX for the official quotation of the New Shares in accordance with the ASX Listing Rules. Subject to approval being granted by ASX, it is expected that normal trading of New Shares issued under the Entitlement Offer will commence on Thursday, 25 July 2013.

2.7 Underwriting

Iron Road has entered into an Underwriting Agreement with the Underwriters who have agreed to fully underwrite the Entitlement Offer. The obligation of each of the Underwriters under the Underwriting Agreement is several (and not joint or joint and several) and limited to their Respective Proportions.

The Underwriters have informed Iron Road that they have received written notice from the Foreign Investment Review Board that there are no objections to the Underwriters' acquisition of New Shares in terms of the Government's foreign investment policy.

Background

In preparation for the Entitlement Offer, Iron Road approached third party underwriters and major shareholders to canvass their interest in underwriting the Entitlement Offer. The outcome of this process was that the Independent Directors determined that the terms of the Underwriting Agreement entered into with the Underwriters represent the most favourable outcome for Iron Road.

In reaching their decision, the Independent Directors took into account a number of considerations including the fact that the Underwriters are prepared to underwrite the full amount of the Entitlement Offer, the Underwriters' willingness to enter into the Underwriting Agreement was not conditional on there being a minimal level of sub-underwriting support and the underwriting fee payable to the Underwriters is materially less than the fees commonly charged by third party underwriters. In the current challenging market conditions, the Independent Directors regard this as a favourable outcome for Iron Road.

Fee

The Underwriters will receive a total underwriting fee of 2% of the proceeds raised under the Entitlement Offer (excluding proceeds raised by the sale of any New Shares to sophisticated and professional investors procured by the Joint Shortfall Managers). See **section 2.3** for a description of the arrangements with the Joint Shortfall Managers.

Unqualified termination events

As is customary for these types of arrangements, the Underwriters may immediately terminate the Underwriting Agreement (and their obligations to underwrite the Entitlement Offer) on the occurrence of the following termination events before 8.00 am on the date of issue of the New Shares under the Entitlement Offer (currently expected to be 24 July 2013):

- (a) a statement contained in any documentation relating to the Entitlement Offer becomes false, misleading or deceptive;
- (b) ASX announces that Iron Road will be removed from the official list or that any New Shares will be delisted or suspended from quotation;
- (c) proceedings or an inquiry or investigation are commenced or threatened in relation to the Entitlement Offer and the application or notice is not withdrawn within a specified period;
- (d) unconditional approval by the ASX for quotation of the New Shares is refused, or not granted by the business day prior to allotment or is withdrawn before allotment;
- (e) Iron Road alters its capital structure without the consent of the Underwriters other than by issuing Shares as a consequence of the exercise of options currently on issue;
- (f) the announcement, settlement or allotment date is delayed by Iron Road without the prior written consent of the Underwriters;
- (g) Iron Road withdraws the Entitlement Offer;
- (h) any certificate required to be given by Iron Road to the Underwriters is:
 - (i) not given when required; or
 - (ii) is untrue or incorrect in a material respect;
- (i) an event of insolvency occurs in relation to Iron Road or any of its subsidiaries;
- (j) ASIC withdraws, revokes or amends in a material respect any exemptions from or modifications (including class orders) to the Corporations Act which are required in relation to the Entitlement Offer;
- (k) Iron Road or any of its Directors or officers engage in any fraudulent conduct or activity;
- (l) there is a material adverse change, or any one or more matters, events or circumstances which individually or when aggregated, is likely to give rise to a material adverse change, in the financial position or

- performance, shareholders equity, profits, losses, results, condition, operations or prospects of Iron Road and its subsidiaries;
- (m) certain representations and warranties regarding the assets and activities of Iron Road become incorrect, untrue or misleading;
 - (n) on five or more consecutive business days from the date of the Underwriting Agreement until (and including) the day before allotment of the New Shares, the China Import Iron Ore Fines 62% Fe spot price per dry metric tonne (as displayed on Bloomberg TSIP1062 Index) is USD\$100 or less; and
 - (o) any aspect of the Entitlement Offer does not comply with the Corporations Act, the ASX Listing Rules or any exemptions from, or modifications (including class orders) to, the Corporations Act.

Qualified termination events

Other termination events only occur if the Underwriters reasonably believe that:

- (a) they could be expected to have a material adverse effect on:
 - (i) the financial position or performance, shareholders equity, profits, losses, results, condition, operations or prospects of Iron Road;
 - (ii) the Entitlement Offer;
 - (iii) the market price of the Shares; or
 - (iv) it is likely to lead to a material liability for the Underwriters or a contravention by the Underwriters of the Corporations Act or any other applicable law.
- (b) These qualified termination events include:
 - (i) any event in the Offer timetable is delayed by Iron Road for more than two business days without the prior written consent of the Underwriters;
 - (ii) a Director or senior manager of Iron Road is charged with an indictable offence, is disqualified from managing a corporation or any government agency commences any public action against a Director or senior manager of Iron Road;
 - (iii) an obligation arises for Iron Road to give ASX a notice under section 708AA(12)(a) of the Corporations Act (as included by ASIC Class Order 08/35);
 - (iv) there is an outbreak of hostilities, or a major escalation in existing hostilities occurs (whether or not war has been declared), involving any one or more of Australia, the United States of America, the United Kingdom, the People's Republic of China, the Democratic People's Republic of Korea, the Republic of Korea or Japan;
 - (v) a breach by Iron Road of the terms of the Underwriting Agreement;

- (vi) any representation or warranty (other than certain warranties regarding the assets and activities of Iron Road) becomes incorrect, untrue or misleading;
- (vii) the information supplied by Iron Road to the Underwriters is false, misleading or deceptive;
- (viii) a change in law; and
- (ix) any aspect of the Entitlement Offer failing to comply with the Corporations Act, the ASX Listing Rules or any exemptions from, or modifications (including class orders) to, the Corporations Act.

Representations and warranties

Iron Road has provided customary representations and warranties to the Underwriters in relation to Iron Road and the Entitlement Offer, including in relation to key assets and activities of Iron Road and projected unit cash costs and gross margins disclosed to ASX.

Indemnity

Iron Road has indemnified:

- the Underwriters and their affiliates, successors or related bodies corporate; and
- the directors, officers, agents, employees, representatives or advisers of the Underwriters or their affiliates, successors or related bodies corporate,

against all losses suffered or incurred, directly or indirectly, in connection with the Entitlement Offer as a result of:

- any false or misleading or deceptive statement or omission of required information; or
- a breach by Iron Road of any applicable laws or its obligations under the Underwriting Agreement, including any representations and warranties.

2.8 Potential effect on control and capital structure

If all Eligible Shareholders take up their Entitlements, each Eligible Shareholder's percentage interest in the total issued share capital of Iron Road will remain the same and will not be diluted.

To the extent that Eligible Shareholders do not take up their Entitlements, following the close of the Entitlement Offer, the percentage shareholding of Eligible Shareholders will alter. No Shareholder will increase their voting power in Iron Road from below 20% to above 20% as a result of the Entitlement Offer.

(a) Sentient

There are three Sentient shareholders in Iron Road advised by the Sentient Group, being Sentient Executive GP II, Limited, Sentient Executive GP III, Limited, and Sentient Executive GP IV, Limited (**Sentient Shareholders**) which are the general partners of Sentient GP II, L.P., Sentient GP III, L.P. and

Sentient GP IV, L.P, respectively which in turn are the general partners of Sentient Fund II, Sentient Fund III and Sentient Fund IV, respectively (**Sentient Funds**).

As general partners of the general partners of the Sentient Funds, each of the Sentient Shareholders hold their Iron Road Shares as a fiduciary of their respective Sentient Fund.

At the date of this booklet the Sentient Funds have aggregate voting power of 57.6% in Iron Road. The Sentient Funds currently have the capacity to control Iron Road because collectively the Sentient Funds have sufficient voting power to pass resolutions to remove or appoint Directors and therefore have the capacity to determine the composition of the Board and to control the financial and operating policies of Iron Road.

Sentient Fund II presently does not intend to take up its Entitlement under the Entitlement Offer and Sentient Fund III and Sentient Fund IV each presently intends to take up its full Entitlement under the Entitlement Offer. However, each of the Sentient Funds reserves the right to change its intentions. Should any of the Sentient Funds not take up its Entitlement in full, the New Shares not taken up will form part of the Shortfall that will be subject to the Shortfall Facility and, if not taken up by other Iron Road Shareholders under that facility or by applicants procured by the Joint Shortfall Managers, will be subject to the underwriting arrangements with the Underwriters.

Following the close of the Entitlement Offer, as a result of New Shares which may be issued to any of the Sentient Funds that take up their Entitlements or to the Underwriters under the Underwriting Agreement, the voting power of the Sentient Funds in Iron Road is expected to increase.

The table below illustrates the possible effects of the Entitlement Offer on the voting power of the Sentient Funds, including the Underwriters.

	Impact on the Sentient Funds' voting power
Shares held by Sentient Funds prior to Entitlement Offer	167,578,071
% voting power of Sentient Funds prior to Entitlement Offer	57.6%
Maximum number of New Shares which may be issued under the Entitlement Offer	Approximately 291 million shares
% voting power of the Sentient Funds following the Entitlement Offer assuming no Shortfall*	Approximately 52.6%
% voting power of Sentient Funds following the Entitlement Offer assuming 25% Shortfall*	Approximately 59.1%

% voting power of Sentient Funds following the Entitlement Offer assuming 50% Shortfall*	Approximately 65.7%
% voting power of Sentient Funds following the Entitlement Offer assuming 75% Shortfall*	Approximately 72.2%
% voting power of Sentient Funds following the Entitlement Offer assuming 100% Shortfall*	Approximately 78.8%

*Note: For the purposes of this table, the Shortfall is 152,521,386 Shares, being the maximum number of New Shares which may be issued under the Entitlement Offer less the Entitlements of Sentient Fund III and Sentient Fund IV.

As set out in the table above, the maximum increase in the voting power of the Sentient Funds will occur where no Eligible Shareholders (other than Sentient Fund III and Sentient Fund IV) take up their Entitlements and the Underwriters take up all of the New Shares under the Entitlement Offer. This would result in the aggregate voting power of the Sentient Funds increasing to approximately 78.8%.

Following the close of the Entitlement Offer, the Sentient Funds would have the ability to increase their voting power by up to 3% every six months under the “creep” provisions in item 3 of section 611 of the Corporations Act.

In order to pass a special resolution at a meeting of Iron Road’s Shareholders, at least 75% of votes cast must be in favour of the resolution. If the voting power of the Sentient Funds increases to 75% or higher as a result of the Entitlement Offer or otherwise, they would have the power to pass a special resolution at a meeting of Iron Road’s Shareholders (for example to amend the constitution of Iron Road).

(b) Liquidity of Iron Road Shares

Iron Road’s Shares are already an illiquid stock, trading volumes for the 30 day period ending 7 June 2013 and for the 60 day period ending 7 June 2013 were 1,535,582 (representing 0.53% of Iron Road’s current issued Shares) and 2,484,720 (representing 0.85% of Iron Road’s current issued Shares) respectively. If the Sentient Funds increase their voting power as a result of the Underwriters taking up any Shortfall not taken up by other Eligible Shareholders or applicants procured by the Joint Shortfall Managers, the market for Iron Road Shares would be expected to be even less liquid or less active than at present.

(c) ASX listing

It is the current intention of the Underwriters and the other Sentient Fund to support the continued ASX listing of Iron Road Shares. However, please refer to **section 2.9** for further important details regarding the intentions of the Sentient Funds. The continued listing of Iron Road will also be subject to Iron Road satisfying the ongoing requirements under the ASX Listing Rules (including there being a sufficient number and spread of Iron Road

Shareholders). Under the ASX Listing Rules a listed company must maintain a spread of holdings which, in ASX's opinion, is sufficient to ensure that there is an orderly and liquid market in its securities. ASX may suspend and eventually delist a company which does not meet its spread requirements.

2.9 Intentions of the Sentient Funds

(a) Introduction

This section sets out the current intentions of the Sentient Funds on the basis of facts and information concerning Iron Road and the existing circumstances affecting Iron Road and the Sentient Funds which are known to the Sentient Funds at the time of preparation of this document. Any final decisions on the matters referred to below will only be made having regard to all material facts known to the Sentient Funds and the circumstances at the relevant time. These current intentions may change as a consequence of a change in the circumstances of Iron Road or the Sentient Funds.

The Sentient Funds are separate, closed-end investments funds which are managed having regard to factors including the particular Sentient Funds' investment objectives and the remaining life of the fund. As such, the intentions of each of the Sentient Funds will not necessarily be identical. While the current intentions of the Sentient Funds in relation to Iron Road which are described below are common intentions at this time, it should not be assumed that the Sentient Funds will continue at all times in the future to pursue identical investment objectives in relation to Iron Road.

(b) Overview of intentions

The Sentient Funds have informed Iron Road of their current intentions in relation to the matters below:

- **Changes to operations:** the Sentient Funds have no current intention to seek any material changes to Iron Road's operations;
- **Governance:** the Sentient Funds have no current intention to change the composition of Iron Road's Board;
- **Intentions to increase shareholdings:** apart from any increase resulting from participation in the Entitlement Offer, the Sentient Funds have no current intention to increase their respective shareholdings in Iron Road;
- **Contribution of further funding following the Entitlement Offer:** the Sentient Funds have not made any commitment to contribute to future funding of Iron Road and will assess any future funding proposals in light of the circumstances of Iron Road and the Sentient Funds at the relevant time;
- **Iron Road listing:** The Sentient Funds have no current intention to seek to bring about a change in Iron Road's ASX listing. However, Shareholders should appreciate that decisions regarding the ongoing listing of Iron Road are not within the sole control of the Sentient Funds. Please see **sections 2.8(c)** and **4.1(n)** for further details.

As noted earlier, these current intentions may change in response to the changing circumstances of Iron Road and the Sentient Funds. In particular, the statements of current intention set out above should be read in light of the below comments.

Iron Road is pursuing the development of two significant projects in challenging market conditions. The projects will require substantial additional investment in coming years, as outlined in **section 4.1(d)**. It is not within the means or investment objectives of the Sentient Funds to provide all of the required funding for Iron Road's projects. Iron Road will therefore need to continue its efforts to date in exploring options for additional or alternative sources of funding. Given the investment required, the Sentient Funds consider that Iron Road may need to look beyond the Australian capital markets for the required funding.

It is the current intention of the Sentient Funds to support Iron Road in these efforts and, where appropriate, undertake any actions within their power which may assist Iron Road to achieve its objectives. Iron Road Shareholders should appreciate that the current intentions of the Sentient Funds regarding Iron Road may change should the Sentient Funds determine that a change in those intentions is desirable in order to assist Iron Road to best position itself to pursue potential opportunities.

Accordingly, while the Sentient Funds have no current intentions regarding such matters, they will remain open to considering possible actions which have the potential to facilitate Iron Road's future development and the realisation of value, such as new third party investments in Iron Road, the pursuit of funding outside of the equity capital markets, appointment of new members to the Iron Road Board, or joint venture, strategic investment or change in control proposals. Final decisions regarding such matters will only be made in light of the results of Iron Road management's activities following the Entitlement Offer to explore options for additional or alternative sources of funding.

3 How to apply

3.1 Please read this offer booklet carefully

The Entitlement Offer is being made in line with the Corporations Act which allows rights issues to be offered by providing certain confirmations to the market without the need for a prospectus. Consequently, before accepting your Entitlement of New Shares, you should carefully read and understand the publicly available information on Iron Road and the Entitlement Offer, including the materials in this booklet, Iron Road's interim and annual reports and other announcements that have been made available at <http://www.asx.com.au>.

3.2 Consider the Entitlement Offer in light of your particular investment objectives and circumstances

If you have any queries or are uncertain about any aspects of the Entitlement Offer, consult with your stockbroker, accountant or other professional adviser. Please ensure that you review carefully the risk factors in **section 4** of this booklet which describe some of the key risks in relation to an investment in Iron Road.

3.3 Complete and return the accompanying Entitlement and Acceptance Form

If you decide to take up all or part of your Entitlement, complete and return the Entitlement and Acceptance Form with your payment or pay your Application Monies via BPAY pursuant to the instructions that are set out on the Entitlement and Acceptance Form.

Entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any value in respect of those Entitlements they do not take up and their percentage shareholding in Iron Road will be reduced following the issue of all New Shares under the Entitlement Offer.

Your Entitlement is set out on the accompanying Iron Road Entitlement and Acceptance Form and has been calculated based on the number of Shares you held as at the Record Date. If you have more than one holding of Iron Road Shares you will receive more than one Entitlement and Acceptance Form and you will have separate Entitlements for each holding.

Iron Road will treat you as applying for as many New Shares as your payment will pay for in full, subject to any scale-back in respect of Shortfall Shares (see **section 2.2**). Amounts received by Iron Road in excess of your Entitlement (**Excess Amount**) may be treated as an application to apply for as many Shortfall Shares as your Excess Amount will pay for in full. If you are paying by BPAY, please make sure to use the specific Biller Code and unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the CRN specific to the Entitlement on that Form. If you

inadvertently use the same CRN for more than one of your Entitlements, you will be deemed to have applied only for Shortfall Shares over and above the Entitlement to which that CRN applies.

If you accept and pay for all or part of your Entitlement before the close of the Entitlement Offer at 5pm (AEST) on the Closing Date, you will be allotted your New Shares on Wednesday, 24 July 2013 based on the current timetable.

If you take no action you will not be allocated any New Shares and your Entitlement will lapse.

3.4 Acceptance of the Entitlement Offer

By completing, and Iron Road receiving, your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY, you:

- (a) agree to be bound by the terms of this booklet and the provisions of Iron Road's constitution;
- (b) authorise Iron Road to register you as the holder(s) of the New Shares allotted to you;
- (c) declare that all details and statements made in the Entitlement and Acceptance Form are complete and accurate;
- (d) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement Offer;
- (e) acknowledge that once Iron Road receives the Entitlement and Acceptance Form or your payment by BPAY, you may not withdraw it except as allowed by law;
- (f) agree to apply for, and be issued with up to, the number of New Shares that you apply for at the Issue Price for each New Share;
- (g) authorise Iron Road and its officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of Iron Road's Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (h) declare that you were the registered holder(s) at 7pm (AEST) on the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date;
- (i) acknowledge that the information contained in this booklet is not investment advice or a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs;
- (j) represent and warrant that the law of any place does not prohibit you from being given this booklet or making an application for New Shares; and

- (k) represent and warrant that you are an Eligible Shareholder and have read and understood this booklet and the Entitlement and Acceptance Form and that you acknowledge the matters, and make the warranties and representations and agreements contained in this booklet and the Entitlement and Acceptance Form.

Payment by cheque, bank draft or money order

Should you wish to pay by cheque, bank draft or money order, then this should accompany your completed Entitlement and Acceptance Form.

Your cheque, bank draft or money order must be:

- in Australian currency, made payable to “Iron Road – Entitlement Offer Account” and crossed “Not Negotiable”;
- in respect of the full Application Monies (being the Issue Price multiplied by the number of New Shares applied for); and
- drawn on an Australian branch of a financial institution.

Iron Road will treat you as applying for as many New Shares as your cheque, bank draft or money order will pay for. Any amount received by Iron Road in excess of your final allocation of New Shares and Shortfall Shares will be refunded and no interest will be paid on any Application Monies received or refunded.

Payment by BPAY

Should you wish to pay by BPAY:

- Please follow the instructions on the Entitlement and Acceptance Form. Your BPAY payment must be received by no later than 5pm (AEST) on the Closing Date. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds submitted through BPAY are received by this time;
- For payment by BPAY, you do not need to lodge your Entitlement and Acceptance Form, however, by making a payment through BPAY, you will be deemed to have made the declarations set out in this booklet and in the Entitlement and Acceptance Form; and
- Iron Road will treat you as applying for as many New Shares and Shortfall Shares as your BPAY payment will pay for. Any amount received by Iron Road in excess of your final allocation of New Shares and Shortfall Shares will be refunded and no interest will be paid on any Application Monies received or refunded.

Cash payments will not be accepted. Receipts for payment will not be issued.

3.5 Mail or delivery

To participate in the Entitlement Offer, your payment must be received no later than 5pm (AEST) on the Closing Date. If not paying by BPAY, your completed

Entitlement and Acceptance Form, together with Application Monies, should be mailed or hand delivered to the address shown on your Entitlement and Acceptance Form.

3.6 Allotment of New Shares

It is expected that allotment of your New Shares will take place as soon as practicable after the Closing Date. It is expected that the New Shares will be allotted and that transaction confirmation statements will be despatched, on or before Wednesday, 24 July 2013. However, if the Closing Date is extended, the date for allotment and despatch may also be extended.

No allotment of New Shares will be made until permission is granted for their quotation by ASX. If quotation for the New Shares is not granted, Iron Road will not allot any New Shares and will refund all Application Monies without interest.

It is your responsibility to confirm your holding before trading in those New Shares. If you sell your New Shares before receiving confirmation of your holding in the form of the transaction confirmation statement, you will do so at your own risk. Iron Road and the Share Registry disclaim all liability, whether in negligence or otherwise, if you trade in New Shares before receiving your transaction confirmation statement.

3.7 Withdrawal of Entitlement Offer

The Directors may at any time prior to allotment of New Shares decide to withdraw this booklet and the offers made under the Entitlement Offer, in which case Iron Road will return all Application Monies (without interest) to you as soon as practicable.

4 Risk factors

Prior to deciding whether to apply for New Shares under the Entitlement Offer, you should read this Entitlement Offer booklet in its entirety and review all announcements made to the ASX in order to gain an understanding of Iron Road, its activities, operations, financial position and prospects.

You should be aware that there are risks associated with an investment in Iron Road. These can be categorised as specific risks (that is, matters that relate directly to Iron Road's business) and general risks (those that relate to the business in general). Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many are outside the control of Iron Road and cannot be mitigated.

The New Shares carry no guarantee in respect of profitability, return of capital or the price at which they will trade on ASX. An investment in Iron Road is speculative.

The following is not an exhaustive summary but identifies the areas the Board regards as the major risks specific to an investment in Iron Road.

4.1 Specific risk factors

(a) Exploration, development, mining and processing risks

Mineral exploration, project development and mining by their nature contain elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable ore resources;
- (ii) successful conclusions to bankable feasibility studies;
- (iii) access to adequate capital for project development;
- (iv) design and construction of efficient mining and processing facilities within capital expenditure budgets;
- (v) securing and maintaining title to tenements;
- (vi) obtaining consents and approvals necessary for the conduct of exploration and mining;
- (vii) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants; and
- (viii) adverse weather conditions over a prolonged period, which can adversely affect exploration and mining operations and the timing of revenues.

Whether or not income will result from development of tenements depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

(b) Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through testwork to produce a saleable product;
- (ii) developing an economic process route to produce a saleable product; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent ore grades and recovery rates, affecting the economic viability of the project.

(c) Operational and technical risks

The current and future operations of Iron Road, including exploration, appraisal and production activities may be affected by a range of factors, including:

- (i) geological, geotechnical and hydrogeological conditions;
- (ii) limitations on activities due to seasonal weather patterns;
- (iii) alterations to joint venture programs and budgets;
- (iv) unanticipated operational and technical difficulties encountered in survey, drilling and production activities;
- (v) electrical and mechanical failure of operating plant and equipment, industrial and environmental accidents, industrial disputes and other force majeure events;
- (vi) unavailability of aircraft or drilling equipment to undertake airborne surveys and other geological and geophysical investigations;
- (vii) the supply and cost of skilled labour;
- (viii) unexpected shortages or increases in the costs of power, water, consumables, diesel fuel, tyres, spare parts and plant and equipment; and
- (ix) prevention or restriction of access by reason of inability to obtain consents or approvals.

(d) Future funding requirements

The funds raised from the Entitlement Offer will be deployed towards, among other things:

- (i) completing the DFS;
- (ii) continuing the purchase of land required for the development of the CEIP; and

- (iii) undertaking feasibility studies on the GIP, subject to a successful scoping study outcome.

The funds to be raised provide for the completion of the DFS for the CEIP and to undertake a feasibility study for the GIP as well as corporate overheads through to the middle of 2014 (and, if necessary, some of the funds allocated to land acquisitions can be used for corporate overheads post mid-2014). Additionally, Iron Road will be continuing to seek appropriate partnership and financing arrangements throughout that period, so that alternate sources of funds become available to meet its ongoing needs as the projects are developed. In the event that neither of the projects proceed, the ongoing funding requirements will be relatively small given that the feasibility studies will have been largely completed.

If Iron Road is successful in raising sufficient capital and completing the feasibility studies, it will still be required to raise significant amounts of additional capital or seek development partners to help fund the development of the CEIP and/or the GIP.

Any failure by Iron Road to raise capital if and when needed could delay or suspend Iron Road's work programs and could have a material adverse effect on Iron Road's projects and business operations.

If Iron Road is unable to use debt or equity to fund its work program after the substantial exhaustion of the net proceeds of the Entitlement Offer and existing working capital, there can be no assurance that Iron Road will have sufficient capital resources to achieve its business strategy with respect to the CEIP and the GIP, or for any other purposes, or that it will be able to obtain additional funding on terms acceptable to Iron Road or at all.

Any additional equity financing may be dilutive to Iron Road's existing Shareholders and any debt financing (if available) may involve restrictive covenants, which limit Iron Road's operations and business strategy.

(e) Title, tenure and access

Generally, mining tenements and licences which Iron Road owns or may acquire either by application, sale and purchase or farm-in are regulated by the applicable mining legislation. There is no guarantee that applications will be granted as applied for (although Iron Road has no reason to believe that the tenements or licenses will not be granted in due course). Various conditions may also be imposed as a condition of grant. In addition, the Treasurer of the Commonwealth of Australia, a relevant minister or government agency may need to consent to any grant or transfer of tenement to Iron Road.

Renewal of titles or licences is made by way of application to the relevant department. There is no guarantee that a renewal will be automatically granted other than in accordance with the applicable mining legislation.

In addition, the relevant minister or government agency may impose conditions on any renewal, including relinquishment of ground.

(f) Global credit and investment markets

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of Iron Road and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including ASX). This may impact the price at which Iron Road's securities trade regardless of operating performance and affect Iron Road's ability to raise additional equity and/or debt to achieve its objectives.

(g) Commodity price risk

Commodity prices fluctuate and are affected by numerous factors beyond the control of Iron Road. These factors include world demand for iron ore (particularly from China), forward selling by producers, and production cost levels in major metal-producing regions.

Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the commodity as well as general global economic conditions.

Future price declines of iron ore could cause Iron Road's projects to become uneconomic prior to or during production. Prior to production, a decline in iron ore prices, may result in Iron Road's projects not being able to be completed, including because obtaining further project development funding or securing development partners for Iron Road's projects may be restricted.

In the event that Iron Road successfully begins iron ore production, the revenue it will derive through the sale of commodities exposes the potential income of Iron Road to commodity price risks.

These factors may have an adverse effect on Iron Road's exploration, development and production activities, as well as on its ability to fund those activities.

(h) General environmental risks

Mining is an industry which has become subject to increasing environmental responsibility and liability. The potential liability is an ever present risk. Iron Road may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining or other activities for which it has not been responsible.

Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing mining operations to cease or be curtailed, and may require Iron Road to implement corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

(i) Resource and reserve estimates

Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that are valid when

made may change significantly when new information becomes available through drilling, sampling and similar examinations.

In addition, resource and reserve estimates are necessarily imprecise and depend to some extent on geological interpretations, as well as various economic, commercial, technical, environment and legal assumptions which may prove to be inaccurate.

Should Iron Road encounter mineralisations or formations different from those predicted, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect Iron Road's operations.

(j) Taxation and government regulations

Changes in taxation and government legislation in a range of areas (for example, the Corporations Act, accounting standards, and taxation law) can have a significant influence on the outlook for companies and the returns to investors.

The recoupment of taxation losses accrued by Iron Road from any future revenues is subject to the satisfaction of tests outlined in taxation legislation or regulations in the jurisdictions in which Iron Road operates. There is no guarantee that Iron Road will satisfy all of these requirements at the time it seeks to recoup its tax losses which may impact on the financial performance and cash flows of Iron Road.

(k) Reliance on key personnel

Iron Road is reliant on its management. The loss of one or more of these individuals could adversely affect Iron Road. In addition, Iron Road's ability to manage growth effectively will require it to continue to implement and improve its management systems and to recruit and train new employees and consultants. Although Iron Road expects to be able to do so in the future, there can be no assurance that Iron Road will be able to attract and retain skilled and experienced personnel and consultants.

(l) Joint venture parties, contractors and agents

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which Iron Road is, or may become a party; or insolvency or other managerial failure by any of the contractors used by Iron Road in any of its activities; or insolvency or other managerial failure by any of the other service providers used by Iron Road for any activity.

(m) Insurance

Iron Road will evaluate obtaining insurance cover for operational and other risks where appropriate, taking into consideration the availability of cover and premium costs and where required under its contractual commitments. There can be no assurance, however, that Iron Road will be able to obtain or maintain such insurance coverage at reasonable rates (or at all), or that any coverage it has or obtains will be adequate and available to cover any such claims.

(n) Share Liquidity and ASX listing

Due to the size and nature of Iron Road, the liquidity of its Shares traded on the ASX can be low. This could impact your ability to sell the Shares that you acquire or the prices at which you can sell your Shares.

If the Sentient Funds increase their voting power as a result of the Underwriters taking up the Shortfall, the liquidity of Shares is likely to be further reduced.

Under the ASX Listing Rules a listed company must maintain a spread of holdings which, in ASX's opinion, is sufficient to ensure that there is an orderly and liquid market in its securities. If a company is unable to maintain the required level of spread, ASX may suspend and eventually delist that company, which would materially adversely affect the ability of shareholders to buy and sell shares.

4.2 General risk factors

(a) Economic conditions

The performance of Iron Road may be significantly affected by changes in both domestic and world economic conditions. Relevant factors include interest, inflation and exchange rates, changes in fiscal, monetary and regulatory policies and sovereign or political risk in each of the regions in which Iron Road operates.

(b) Share market conditions

As Iron Road is a listed company, the price at which its securities trade will be subject to the numerous influences that may affect both the broad trend in the share market and the share prices of individual companies and sectors. Investors should recognise that the price of New Shares may fall as well as rise.

(c) Capital Availability

Current economic conditions can impact on the availability of debt and equity funding that may be required to support the cash flow of a business. Iron Road's development may be affected by availability of funding which would impact on its ability to establish business operations in the expected time frame and/or at its current levels.

5 Important information

This booklet has been prepared by Iron Road. You should read it carefully and in its entirety before deciding whether to invest in New Shares. In particular, you should consider the risk factors outlined in **section 4** of this booklet.

5.1 Eligible Shareholders

This booklet contains an offer of New Shares to Eligible Shareholders.

Eligible Shareholders are those holders of Shares who:

- are registered as a holder of Shares as at 7pm (AEST) on the Record Date; and
- have a registered address in Australia or New Zealand or in any other jurisdiction that Iron Road has determined is eligible to participate in the Entitlement Offer.

Based on Iron Road's understanding of the locations of its Shareholders as at the date before the date of announcement of the Entitlement Offer, Iron Road expects that all Shareholders will be eligible to participate.

However, to the extent that there are any Ineligible Shareholders who are excluded from the Entitlement Offer, Iron Road will, subject to ASIC's approval, appoint a nominee for the purposes of section 615 of the Corporations Act to arrange for the sale of all of the New Shares which would have been and will not be issued to Ineligible Shareholders.

If a nominee is appointed, Iron Road will issue to the nominee the New Shares that would otherwise be issued to Ineligible Shareholders. The nominee must then sell such New Shares at a price and otherwise in a manner determined by the nominee in its sole discretion. Neither Iron Road, nor the nominee will be held liable for the sale of any New Shares at any particular price or the timing of such sale. The nominee will then distribute the proceeds of sale (less the Issue Price and other incidental costs) proportionally to the applicable Ineligible Shareholders. The proceeds of any such sale (if any) will be paid in Australian dollars. If the proceeds of the sale are less than the Issue Price, Ineligible Shareholders will not be entitled to any proceeds.

5.2 Not investment advice

The Entitlement Offer to which this booklet relates complies with the requirements of section 708AA of the Corporations Act as notionally modified by ASIC Class Order 08/35.

This booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Iron Road is not licensed to provide financial product advice in respect of the New Shares.

The information in this booklet is not investment or financial product advice. This booklet does not purport to contain all the information that you may

require to evaluate a possible application for New Shares and does not take into account the investment objectives, financial situation or needs of you or any particular investor. You should conduct your own independent review, investigation and analysis of Iron Road Shares the subject of the Entitlement Offer. You should obtain any professional advice you require to evaluate the merits and risks of an investment in Iron Road before making any investment decision based on your investment objectives.

5.3 Information about Iron Road

The information included in this booklet provides information about Iron Road's activities current as at 13 June 2013. It is information in a summary form and does not purport to be complete. It should be read in conjunction with Iron Road's other periodic and continuous disclosure announcements including Iron Road's annual report for the financial year ended 30 June 2012 lodged with ASX on 24 October 2012, Iron Road's interim financial report for the six month period ended 31 December 2012 lodged with ASX on 12 March 2013, Iron Road's announcement to the ASX on Thursday, 13 June 2013 regarding the Entitlement Offer and Iron Road's other announcements to ASX available at www.asx.com.au.

5.4 Future performance

The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Forward-looking statements, opinions and estimates provided in this booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

An investment in Iron Road Shares is subject to investment and other known and unknown risks, some of which are beyond the control of Iron Road. Iron Road does not guarantee any particular rate of return or the performance of Iron Road nor does it guarantee the repayment of capital from Iron Road or any particular tax treatment.

5.5 Past performance

Past performance information given in this booklet is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

5.6 Foreign jurisdictions

This booklet and accompanying Entitlement and Acceptance Form do not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this booklet in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons who come into possession of this document outside Australia and New Zealand should seek advice on and observe any such restrictions. A failure to comply with these restrictions may constitute a violation of applicable securities laws.

It is the responsibility of any Applicant to ensure compliance with any laws of the country relevant to their application. Return of a duly completed Entitlement and Acceptance Form and/or BPAY payment of Application Money will be taken by Iron Road to constitute a representation that there has been no breach of such laws. Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how to proceed.

5.7 Taxation

Taxation implications will vary depending upon the individual circumstances of individual Eligible Shareholders. Eligible Shareholders should obtain their own professional advice before deciding whether to invest.

5.8 Governing law

This booklet, the Entitlement Offer and the contracts formed on acceptance of an application for New Shares are governed by the laws applicable in New South Wales, Australia. Each Shareholder who applies for New Shares submits to the jurisdiction of the courts exercising jurisdiction in New South Wales, Australia.

5.9 Financial data

All dollar values in this booklet are in Australian dollars (A\$).

5.10 Broker stamping fees

A stamping fee of 1% of Application Monies (exclusive of GST) on New Shares allotted will be paid to stockbrokers (being those entities named as full service (advisory) brokers or non-advisory brokers on the ASX website) who submit a valid claim for a broker stamping fee on successful applications, subject to a fee limit of \$250 (exclusive of GST) for each such application. This fee is to be paid by Iron Road, so you will not incur any fee in respect of your application for New Shares or Shortfall Shares.

5.11 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this booklet.

Any information or representation that is not in this booklet may not be taken as having been authorised by Iron Road, or its related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of Iron Road, or any other person, warrants or guarantees the future performance of Iron Road or any return on any investment made pursuant to this booklet.

5.12 Privacy

Any personal information included on an Entitlement and Acceptance Form is used for the purposes of processing the Entitlement and Acceptance Form and to administer your holding of New Shares. By submitting an Entitlement and Acceptance Form, you agree that Iron Road may use the information provided on the form for the purposes set out in this privacy statement and may disclose it for those purposes to the Share Registry and Iron Road's related bodies corporate, agents and contractors and third party service providers, including mailing houses and professional advisers, and to ASX and other regulatory authorities.

The Corporations Act requires Iron Road to include information about each Shareholder (including name, address and details of the Shares held) on the Register. The information contained on the Register must remain there even if you cease to be a Shareholder. Information contained on the Register is also used to facilitate payments and corporate communications (including Iron Road's financial results, annual reports and other information that Iron Road wishes to communicate to its security holders) and compliance by Iron Road with legal and regulatory requirements.

5.13 Defined terms

Some capitalised words and expressions used in this booklet are defined in the glossary in **section 6**.

6 Glossary

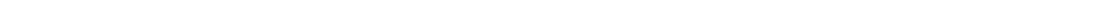
AEST	Australian Eastern Standard Time
Applicant	An Eligible Shareholder who has applied to subscribe for New Shares and/or Shortfall Shares by submitting an Entitlement and Acceptance Form or arranging payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form
Application	An application to subscribe by submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies or arranging for payment of the relevant Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form
Application Monies	Monies payable by Applicants in respect of Applications
ASIC	The Australian Securities and Investments Commission
Associate	An 'associate' as defined in section 12 of the Corporations Act.
ASX	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as applicable
ASX Listing Rules	The official listing rules of ASX, as amended or waived by ASX from time to time
Board	The board of Directors of Iron Road
CEIP	The Central Eyre Iron Ore Project, Iron Road's principal iron ore mining project located on the Eyre Peninsula in South Australia
Closing Date	5pm (AEST) on Tuesday, 16 July 2013, the date the Entitlement Offer closes (unless extended)
Corporations Act	<i>Corporations Act 2001</i> (Cth)
DFS	The definitive feasibility study of the CEIP currently being undertaken by Iron Road

Director	A director of Iron Road
Eligible Shareholder	A Shareholder who falls within the description set out in section 5.1
Entitlement	The entitlement to 1 New Share for every 1 Share held at 7pm (AEST) on the Record Date. The Entitlement of each Eligible Shareholder is shown on the Entitlement and Acceptance Form
Entitlement and Acceptance Form	The Entitlement and Acceptance Form accompanying this booklet
Entitlement Offer	The pro rata non-renounceable offer of 1 New Share for every 1 Share held by an Eligible Shareholder at 7pm (AEST) on the Record Date at the Issue Price
GIP	The Gawler Iron Project, an iron ore project located in northern South Australia
Independent Directors	Leigh Hall, Julian Gosse and Andrew Stocks
Ineligible Shareholder	A Shareholder which is not an Eligible Shareholder
Iron Road	Iron Road Ltd ACN 128 698 108
Issue Price	\$0.18 for each New Share
Joint Shortfall Managers	CIBC Australia Ltd ACN 000 067 256 and Blue Ocean Equities Pty Limited ACN 151 186 935
Joint Shortfall Managers Shares	Such number of New Shares in the Shortfall for which the Joint Shortfall Managers have procured valid applications and which are issued to such applicants (which will not include the Shortfall Shares)
New Shares	All shares to be allotted and issued under the Entitlement Offer including any Shortfall
Record Date	7pm (AEST) on Friday, 21 June 2013
Register	The register of Shareholders required to be kept under the Corporations Act

Related Body Corporate	A 'related body corporate' as defined in the Corporations Act
Related Party	A 'related party' as defined in the ASX Listing Rules
Respective Proportions	<p>In the case of:</p> <p>(a) Sentient Fund III, the lesser of:</p> <p>(i) 50% of the Underwriters' Shortfall Shares; and</p> <p>(ii) such number of Underwriters' Shortfall Shares which, when added to the New Shares taken up by Sentient Fund III pursuant to its Entitlement, equals 40 million Shares; and</p> <p>(b) Sentient Fund IV:</p> <p>(i) 50% of the Underwriters' Shortfall Shares; or</p> <p>(ii) in the event subparagraph (a)(ii) above applies in relation to Sentient Fund III, the balance of the Underwriters' Shortfall Shares</p>
Sentient Fund II	Sentient Global Resources Fund II, L.P. of Landmark Square, 1 st Floor, West Bay Beach South, 64 Earth Close, Grand Cayman KY1-1007, Cayman Islands
Sentient Fund III	Sentient Global Resources Fund III, L.P. of Landmark Square, 1 st Floor, West Bay Beach South, 64 Earth Close, Grand Cayman KY1-1007, Cayman Islands
Sentient Fund IV	Sentient Global Resources Fund IV, L.P. of Landmark Square, 1 st Floor, West Bay Beach South, 64 Earth Close, Grand Cayman KY1-1007, Cayman Islands
Sentient Funds	<p>The following limited partnerships:</p> <p>(a) Sentient Fund II;</p> <p>(b) Sentient Fund III; and</p> <p>(c) Sentient Fund IV</p>
Sentient Shareholders	Sentient Executive GP II, Limited, Sentient Executive GP III, Limited, and Sentient Executive GP IV, Limited being the registered holders of Shares in Iron Road

Share	A fully paid ordinary share in Iron Road
Share Registry	Security Transfer Registrars Pty Ltd ACN 008 894 488
Shareholder	A holder of Shares in Iron Road
Shortfall	The number of New Shares which were not applied for by Eligible Shareholders pursuant to their respective Entitlements
Shortfall Facility	The offer to subscribe for New Shares in excess of a Shareholder's Entitlement as described in section 2.2
Shortfall Shares	New Shares applied for by Eligible Shareholders under the Shortfall Facility that are in excess of the Entitlements of those Eligible Shareholders and which are issued to Eligible Shareholders
Underwriters	Sentient Fund IV and Sentient Fund III severally in the Respective Proportions
Underwriters' Shortfall Shares	Shortfall less the Shortfall Shares and the Joint Shortfall Managers Shares (if any)
Underwriting Agreement	The underwriting agreement dated on or about 13 June 2013 between Iron Road and the Underwriters

7 ASX Entitlement Offer announcement



FULLY UNDERWRITTEN CAPITAL RAISING TO COMPLETE CENTRAL EYRE IRON PROJECT FEASIBILITY STUDY AND EVALUATION OF SHORTER TERM PRODUCTION POTENTIAL

Iron Road Limited (Iron Road, ASX: IRD) is pleased to announce a fully underwritten one-for-one non-renounceable entitlement offer (the **Entitlement Offer**) of new Iron Road shares (New Shares) at an offer price of \$0.18 per New Share (**Offer Price**) to raise approximately \$50.7 million (after the costs of the Entitlement Offer). The Entitlement Offer is fully underwritten by two of Iron Road's major shareholders, and private equity resources funds, being Sentient Global Resources Fund III, L.P. and Sentient Global Resources Fund IV, L.P. (together the **Underwriters**).

Iron Road expects to complete the definitive feasibility study (**DFS**) for the Central Eyre Iron Project (**CEIP**) at the end of this year, and intends to proceed to financing, construction and ultimately production thereafter. CEIP was recently confirmed as hosting the largest Measured+Indicated magnetite resource in Australia and among the 20 largest in the world.

The Entitlement Offer will provide funding to complete the DFS, as well as enabling Iron Road to continue strategic acquisitions of property to support the combined mining, processing, rail and port operation. Iron Road's smaller scale Gawler Iron Project (**GIP**) will also receive a portion of the funds to formally establish, beyond the current scoping study, the potential for shorter term production with lower capital outlay.

Iron Road Managing Director, Mr Andrew Stocks, said the greatest value that could be delivered to shareholders would be a successful move to construction and operation of the CEIP, following DFS and financing completion.

"We expect the DFS will demonstrate the economics of our project and provide the foundation we need to complete financing and partnership discussions for what would be the country's largest magnetite project, targeting 20 million tonnes per annum of high grade concentrate." said Mr Stocks.

"We are now at the tail end of the significant undertaking that is the DFS. Covering mining and beneficiation studies, rail, port and social infrastructure as well as marketing and various impact assessments, the DFS is a substantial undertaking that we expect to provide a strong foundation for the future of the CEIP."

"We recognise that this is a major capital raising, particularly when considering the backdrop of recent poor market sentiment towards the iron ore sector, even for those in production. However, we have no doubt that hibernating our company until better market conditions arise is the wrong

thing to do. This close to the finish line is not the right time to halt progress and set our projects back by months or even years.”

“The Entitlement Offer will allow us to finish the DFS as well as continue approval processes well into 2014. A highly concentrated seaborne iron ore supply market coupled with anticipated demand growth from China and other developing markets is expected to continue to require new sources of supply. With recent testing in China confirming the product is well suited for Chinese steel mills, we are firmly aiming to become one of those new suppliers, enabling significant value to be generated for our shareholders.”

“Alongside the CEIP we’ll also be devoting additional funds to the GIP, to allow us to continue development post completion of the current scoping study. The GIP offers us the potential for a 1-2Mtpa development which would provide early sustaining cash flows using established rail and port options and providing the market with an early look at product similar to that which will be produced from the CEIP.”

“Backed by the funds from the Entitlement Offer, and with the strong support of our major shareholders, I look forward to delivering the DFS and continuing to demonstrate the development pathway for Iron Road.”

Further details of Iron Road’s strategy and growth profile can be reviewed in the accompanying investor road show presentation “Entitlement Offer: Securing the pathways to production”.

Fully underwritten capital raising

Approximately 291 million New Shares will be issued as a result of the Entitlement Offer and will rank equally with existing shares in Iron Road.

The Offer Price represents:

- a 21.1% discount to the 60 day volume weighted average price of \$0.228 for Iron Road shares on 7 June 2013, and
- a 15.9% discount to the 20 day volume weighted average price of \$0.214 for Iron Road shares on 7 June 2013, and
- no discount to the Theoretical Ex-Rights Price¹ (as the Offer Price is equal to the last closing price on 7 June 2013).

Shareholders will be able to subscribe for one New Share for every existing one Iron Road share held at 7pm (AEST) on Friday, 21 June 2013 (**Record Date**).

¹ The Theoretical Ex-Rights Price (**TERP**) is the theoretical price at which Iron Road shares should trade after the ex-rights date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer. TERP is calculated by reference to Iron Road’s closing price on 7 June 2013 of \$0.18 per share, being the last trading day prior to the announcement of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Iron Road shares trade following the ex-rights date will depend on a variety of factors and may not equal or approximate to TERP.

Key dates of the Entitlement Offer are provided in the table below.

Entitlement Offer

Iron Road shareholders on the Record Date (**Eligible Shareholders**) will be entitled to participate in the Entitlement Offer. Eligible Shareholders will be entitled to acquire one New Share for every existing Iron Road share held on the Record Date. The Entitlement Offer will open at 10am AEST on Tuesday, 25 June 2013 and will close at 5pm AEST on Tuesday, 16 July 2013.

Subject to the *Corporations Act* 2001 (Cth) (**Corporations Act**), the requirements of the ASX Listing Rules and any other applicable laws, if Eligible Shareholders do not take up their entitlements in full, the shortfall will be allocated to those Eligible Shareholders who are not:

- (a) the Underwriters or any sub-underwriter of the Entitlement Offer;
- (b) a related party (as defined in the ASX Listing Rules) of Iron Road; or
- (c) a related party or associate (as defined in section 12 of the Corporations Act) of the Underwriters,

who apply for additional New Shares (**Shortfall Facility**).

If applications exceed the shortfall, the shortfall will be allocated on a proportionate basis having regard to the relative registered holdings on the Record Date of all Eligible Shareholders who have applied for shortfall shares under the Shortfall Facility.

Iron Road has appointed CIBC Australia Ltd (a wholly owned subsidiary of Canadian Imperial Bank of Commerce) and Blue Ocean Equities Pty Limited as joint shortfall managers to the Entitlement Offer to assist Iron Road with the placement to sophisticated and professional investors of any remaining shortfall under the Entitlement Offer after applications under the Shortfall Facility have been fulfilled. To the extent there is sufficient demand for such remaining shortfall, this will be conducted by way of an institutional bookbuild following the close of the Entitlement Offer.

Any shortfall remaining after these processes will be subject to the underwriting arrangements with the Underwriters.

The terms and conditions on which Eligible Shareholders are entitled to participate in the Entitlement Offer and further details about the Entitlement Offer will be set out in an offer booklet to be lodged with ASX today, and which Iron Road expects to despatch on or around, Tuesday, 25 June 2013.

As the Entitlement Offer is non-renounceable, there will be no trading of entitlements.

Entitlement Offer Timetable

Event	Date (2013)
Announcement of the Entitlement Offer	Thursday, 13 June 2013
Ex-date	Monday, 17 June 2013
Record Date (7pm AEST)	Friday, 21 June 2013
Despatch of Offer booklet and Entitlement and Acceptance Forms	Tuesday, 25 June 2013
Entitlement Offer opens	
Entitlement Offer closes (5pm AEST)	Tuesday, 16 July 2013
Commencement of deferred settlement trading on ASX	Wednesday, 17 July 2013
Shortfall bookbuild opens	
Iron Road notifies ASX of under subscriptions	Friday, 19 July 2013
Shortfall bookbuild closes	
Issue of New Shares under Entitlement Offer	Wednesday, 24 July 2013
Deferred settlement trading ends	
Issue of New Shares pursuant to subscriptions under the Shortfall bookbuild (if any) following settlement	
Notify Underwriters of under subscriptions	
Normal trading of New Shares commences	Thursday, 25 July 2013
Issue of New Shares to Underwriters	Tuesday, 30 July 2013

Important Information

This announcement does not constitute an offer of securities in any jurisdiction in which, or to any person to whom it would not be lawful to make such an offer.

This announcement contains forward-looking statements, opinions and estimates including statements regarding the future development of Iron Road's projects, the progress and outcome of the scoping and feasibility studies and the outcome and use of proceeds of the Entitlement Offer. Forward-looking statements can generally be identified by the use of forward-looking words such as "may," "should," "expect," "anticipate," "estimate," "scheduled" or "continue" or the negative thereof or comparable terminology. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond Iron Road's control, and which may cause actual results to differ materially from those expressed in the statements contained in this letter and the attached materials. You should not place undue reliance on these forward-looking statements. These forward-looking statements are based on information available to Iron Road as of the date of this letter. Except as required by law or regulation (including the ASX Listing Rules), Iron Road undertakes no obligation to update these forward-looking statements.

For further information, please contact:

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FTI Consulting
Tel: +61 8 9485 8888
Mob: +61 (0)420 945 291
Email: shane.murphy@fticonsulting.com

Or visit www.ironroadlimited.com.au

Iron Road's principal project is the Central Eyre Iron Project (CEIP) in South Australia. The wholly owned CEIP is a collection of three iron occurrences (Warrambo, Kopi & Hambidge) with an exploration potential of 2.8-5.7 billion tonnes of magnetite gneiss at a grade of 18-25 % iron*.

A prefeasibility study has demonstrated the viability of a mining and beneficiation operation initially producing 12.4Mtpa of premium iron concentrate for export. A definitive feasibility study is currently assessing production of 20Mtpa of iron concentrates.

Metallurgical test work indicates that a coarse-grained, high grade, blast furnace quality concentrate may be produced at a grind size of -106µm grading 67% iron with low impurities.

**Coffey Mining (Iron Road Ltd ASX announcement 01 September 2009). It is common practice for a company to comment on and discuss its exploration in terms of target size, grade and type. The potential quantity and grade of an exploration target is conceptual in nature since there has been insufficient work completed to define the prospects as anything beyond an exploration target. It is uncertain if further exploration will result in the determination of a Mineral Resource, in cases other than the Boo-Loo and Murphy South/Rob Roy prospect.*



The information in this letter that relates to global exploration targets at the Central Eyre Iron Project is based on and accurately reflects information compiled by Mr Albert Thamm, Coffey Mining, who is a consultant and advisor to Iron Road Ltd and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Thamm 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". Coffey Mining 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 letter that relates to Resources estimated for the Boo-Loo prospect is based on and accurately reflects information compiled by Mr Ian MacFarlane, Coffey Mining, who is a consultant and advisor to Iron Road Ltd and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr MacFarlane 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". Coffey Mining consents to the inclusion in this letter of the matters based on his information in the form and context in which it appears.

The information in this letter that relates to Resources estimated for the Murphy South – Rob Roy prospect is based on and accurately reflects information compiled by Ms Heather Pearce, who is a full time employee of Iron Road Ltd. This estimation was subject to peer review by Dr Isobel Clark of Xstract Mining Consultants. Dr Clark has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which she 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". Xstract Mining Consultants consents to the inclusion in this letter of the matters based on the information in the form and context in which it appears.

8 Iron Road Investor Presentation dated 13 June
2013



Entitlement Offer Securing the Pathways to Production

Investor Road Show
June 2013

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Disclaimer

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Forward-Looking Statements

This presentation contains forward looking statements concerning the projects owned by Iron Road Ltd. 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 Ltd's ongoing development and project studies. Accordingly, Iron Road Ltd cannot guarantee the accuracy and/or completeness of the figures or data included in the presentation until the project studies are completed.

Investment advice

Any reliance on this presentation is expressly disclaimed to the extent permitted by law. The information in this presentation is not investment or financial product advice. This presentation does not purport to contain all the information that you may require to evaluate a possible application for new shares in Iron Road Ltd and does not take into account the investment objectives, financial situation or needs of you or any particular investor. You should conduct your own independent review, investigation and analysis of Iron Road Ltd. You should obtain any professional advice you require to evaluate the merits and risks of an investment in Iron Road Ltd before making any investment decision based on your investment objectives.

Information about Iron Road Ltd

The information included in this presentation provides information about Iron Road Ltd's activities current as at 13 June 2013. It is information in a summary form and does not purport to be complete. It should be read in conjunction with Iron Road's other periodic and continuous disclosure announcements to ASX available at www.asx.com.au.

Competent Person's Statements

The information in this presentation that relates to Resources estimated for the Boo-Loo prospect is based on and accurately reflects information compiled by Mr Ian MacFarlane, Coffey Mining, who is a consultant and advisor to Iron Road Ltd and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr MacFarlane 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". Coffey Mining consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

The information in this presentation that relates to Resources estimated for the Murphy South-Rob Roy prospect is based on and accurately reflects information compiled by Ms Heather Pearce, who is a full time employee of Iron Road Ltd. This estimation was peer reviewed by Dr Isobel Clark of Xstract Mining Consultants. Dr Clark has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which she 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". Xstract Mining Consultants consents to the inclusion in this presentation of the matters based on the 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, grade and type. The potential quantity and grade of an exploration target is conceptual in nature since there has been insufficient work completed to define the prospects as anything beyond an exploration target. It is uncertain if further exploration will result in the determination of a Mineral Resource, in cases other than the Boo-Loo and Murphy South-Rob Roy prospects.

Entitlement Offer Overview



Iron Road is undertaking a 1:1 non-renounceable entitlement offer to raise approximately \$50.7 million (after expenses), at \$0.18 per share ("Entitlement Offer")

- Entitlement Offer positions Iron Road to successfully transition to project financing and development and provides funds to:
 - **Central Eyre Iron Project:** complete Definitive Feasibility Study, acquire land and continue with regulatory approvals for flagship 20Mtpa CEIP development
 - **Gawler Iron Project:** undertake feasibility studies for 1-2Mtpa Gawler project to provide early sustaining cash flows
- Fully underwritten by funds advised by the Sentient Group, Iron Road's long term supporters
- CIBC Australia Ltd and Blue Ocean Equities Pty Limited appointed as Joint Shortfall Managers to manage allocation of the shortfall

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Details of the Offer



Structure

- 1 for 1 non-renounceable Entitlement Offer to eligible shareholders raising approximately \$50.7 million after expenses
- Issue of approximately 291 million shares

Price

- Offer price of \$0.18 per New Share represents:
 - 21.1% discount to 60 day VWAP to last trading day prior to announcement of the Entitlement Offer
 - 15.9% discount to 20 day VWAP to last trading day prior to announcement of the Entitlement Offer
 - No discount to the closing price on the last trading day prior to announcement of the Entitlement Offer (\$0.18)

Use of proceeds

- Completion of DFS for Central Eyre Iron Project
- Opportune land purchases to support Central Eyre Iron Project
- Undertake Feasibility Study on Gawler Iron Project

Underwriters

- Fully underwritten by Iron Road's long term supporters, and major shareholders, Sentient Global Resources Fund III, L.P. and Sentient Global Resources Fund IV, L.P.
- CIBC and Blue Ocean Equities engaged to jointly manage shortfall

Record date

- **7PM AEST** Friday, 21 June 2013

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Use of Funds (after expenses)



Entitlement Offer total	\$50.7 million
Central Eyre Iron Project	
DFS mining and processing studies	\$8.0 million
Infrastructure studies, including rail, port, water and power requirements	\$13.0 million
Marketing, other minor studies and study management	\$4.5 million
Environmental studies and regulatory approvals	\$5.5 million
Gawler Iron Project	
Gawler feasibility studies (post scoping study)	\$6.0 million
Gawler regulatory approvals	\$2.0 million
Corporate	
Overheads and working capital to June 2014	\$4.0 million
Opportune land purchases and if necessary, can be utilised for overheads and working capital post June 2014	\$7.7 million

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Timeline



Announcement of the Entitlement Offer	Thursday, 13 June 2013
Ex-date	Monday, 17 June 2013
Record Date (7pm AEST)	Friday, 21 June 2013
Despatch of Offer booklet and Entitlement and Acceptance Forms	Tuesday, 25 June 2013
Entitlement Offer opens	Tuesday, 25 June 2013
Entitlement Offer closes (5pm AEST)	Tuesday, 16 July 2013
Deferred settlement trading on ASX commences	Wednesday, 17 July 2013
Shortfall bookbuild closes	Friday, 19 July 2013
Settlement of Entitlement Offer and Shortfall bookbuild	Tuesday, 23 July 2013
Issue of New Shares under Entitlement Offer, Shortfall Facility and Shortfall Bookbuild	Wednesday, 24 July 2013
New Shares commence normal settlement trading on ASX	Thursday, 25 July 2013
Issue of New Shares to Underwriters	Tuesday, 30 July 2013

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Investment Highlights

CEIP Globally significant project

- Within top 20 magnetite projects worldwide
- Largest (Measured+Indicated) magnetite resource in Australia

Robust resource base

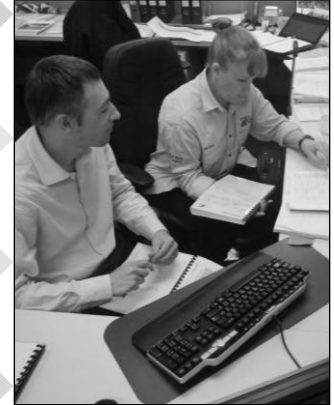
- CEIP Resource stands at 3.7 billion tonnes at 16% iron*
- Exploration target at CEIP of 2.8-5.7Bt of magnetite gneiss at a grade of 18-25% iron*

Premium quality product

- Testwork indicates consistent, premium quality product
- Distinctive mineralogy lends itself to simple processing

Clear pathways to production

- Funding provided for studies at both projects
- CEIP long life project consistently delivering on expectations
- Potential for Gawler to provide early sustaining cashflow
- Well established team to deliver projects



*Full Resource outlined at Appendix, Exploration Target notes at page 2

Iron Ore Market



The World Needs More Iron Ore

Demand to 2020

- China continues to grow – rate slowing but expected to be positive for the rest of the decade
- Consumption off high base, even modest growth will generate large incremental volume
- Chinese growth, with gradual global recovery anticipated to drive incremental demand

China is expected to produce around 1 billion tonnes of steel per year by 2025, up from 735 million tonnes currently

Beyond 2020

- We see Chinese consumption slowing but global demand continuing to gradually grow
- If this occurs, supply expected to better balance demand
- We expect additional supply of large volumes to become progressively more challenging

Our current expectations

- World iron ore production needs to almost double in next 20/25 years to meet expected demand
- Anticipated declining Chinese iron ore production would require seaborne trade to increase at a faster rate

Magnetite Operations

- Have become the 'black sheep' of the Australian iron ore industry
- Reputation impugned by DSO incumbents and failures of project management, not necessarily quality or size of deposit
- Not all ores are created equal – WA's difficult to process banded iron formations are not necessarily representative of the sector
- DSO quality continues to fall – product quality gaps continue to widen and will only increase
- Magnetite operations with long and successful history in North America, Sweden, China, Russia, Ukraine...
- Magnetite more energy efficient, less carbon intensive in the steel making process
- Increasing market need for magnetite producers

Magnetite concentrate remains a consistent premium product as DSO grades decline

Operations

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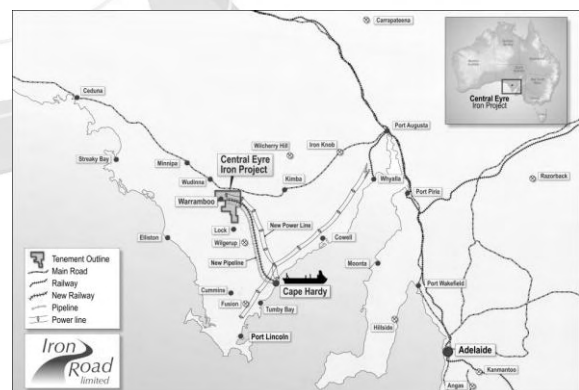


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Central Eyre Iron Project

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Road
limited

- Definitive Feasibility Study examining long life, 20Mtpa low technical risk operation
- Very large Mineral Resources likely sufficient to support +25 years operation, plant and infrastructure funding requirements
- Premium product for a growing market
 - Typical sinter feed quality is reducing over the long term
 - Iron Road will provide consistent high quality concentrate to the sinter market
- Building a significant infrastructure business with large catchment area



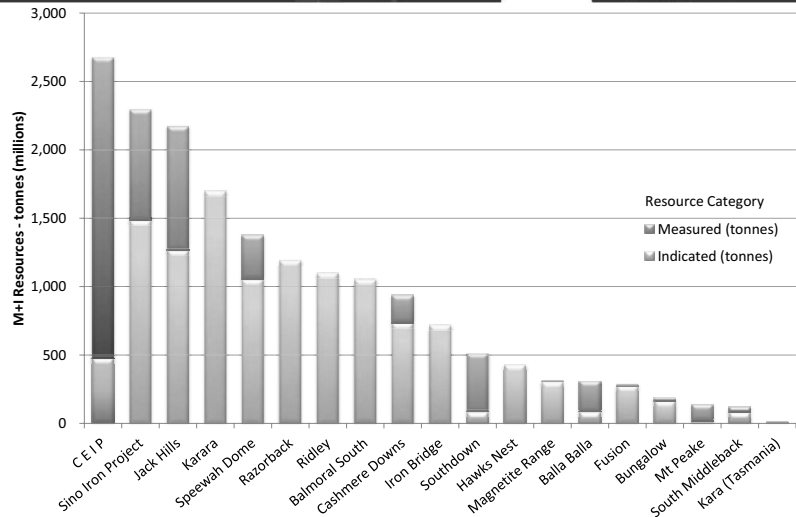
For illustrative purposes only

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Large scale long life project

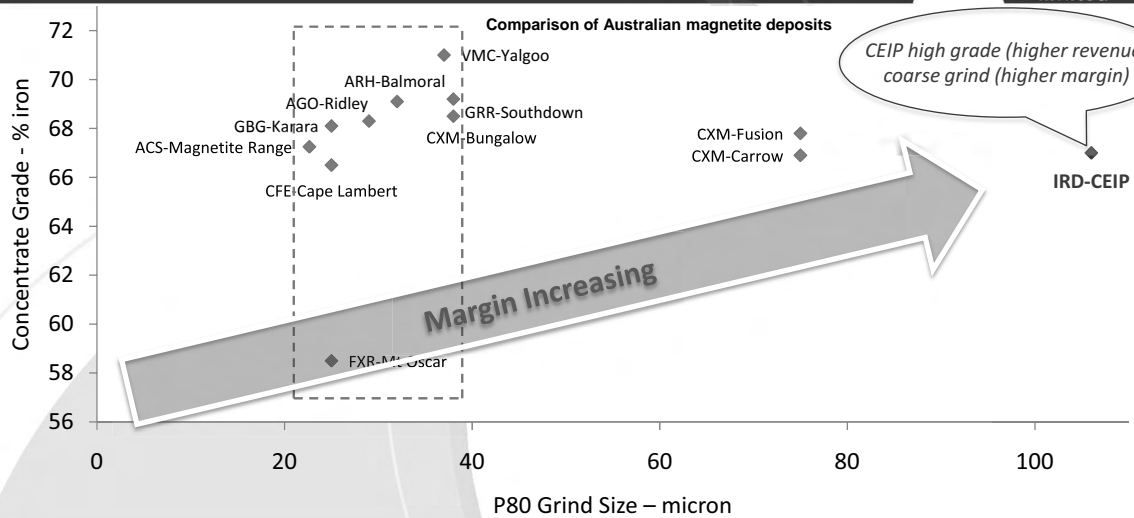
Largest Measured+Indicated magnetite Mineral Resource in Australia, underpins long life operation:

- Mineral Resource 3.7 billion tonnes @ 16% Fe*
- Exploration Target of 2.8-5.8 billion tonnes @ 18-25% Fe* reported in 2009
- Ultimate Mineral Resource is expected to be at the upper end of the target range



*Full Resource outlined at Appendix, Exploration Target notes at page 2

Premium Grades, Lower Processing Costs

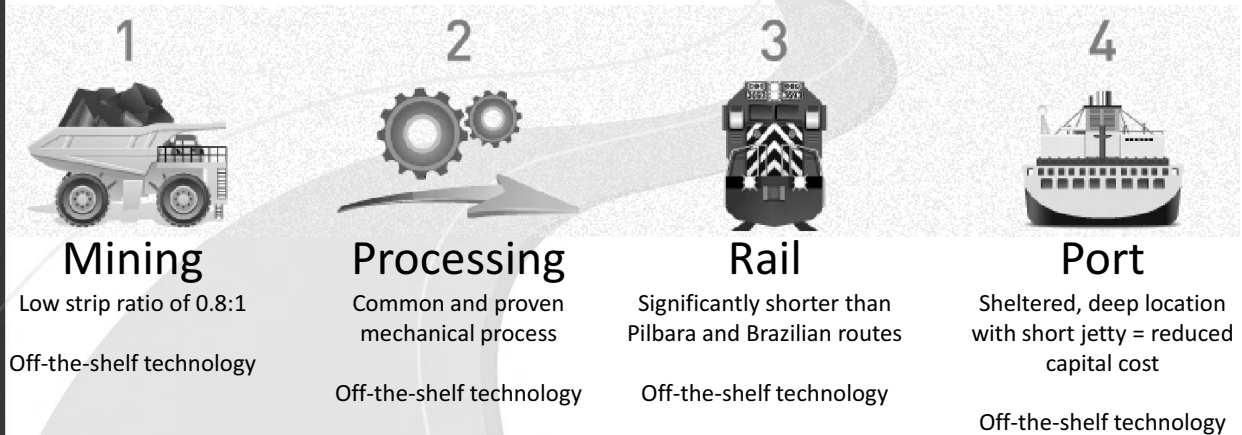


CISRI Test Work Shows Excellent Results

- Bulk test programme at the prestigious China Iron & Steel Research Institute Group (CISRI), Beijing
- Concentrate performs well in both **sintering** and **pelletising**
- Product readily substituted for Brazilian Fines, Pilbara Fines or Chinese domestic concentrates
- Replacement of Pilbara Fines lowered fuel level required for sintering
- Substitute also for pellet plant feed highlights versatility
- Results confirm suitability for Chinese steel mills



Economic and Competitive Advantages



Deep Water Port

- Cape Hardy offers sheltered, deep water with no dredging or breakwater required
- 1.6km modular jetty/wharf structure
- 30Mtpa capacity at commissioning
- Handymax, Panamax and Capesize capable
- 1100ha land secured, potential third party access
- Easy and cost effective expansion options
- Will be the first Capesize port in South Australia

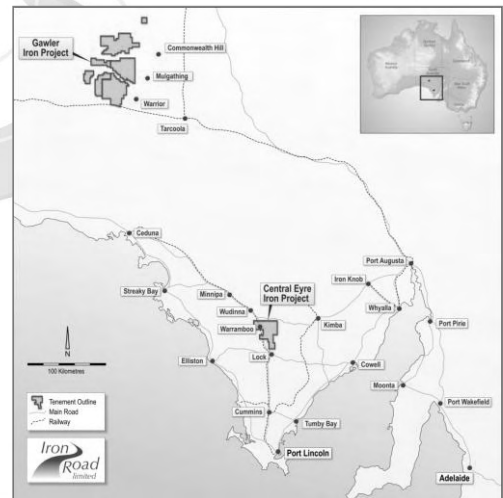


Cape Hardy visualisation

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
- Initial metallurgical study of several composite samples indicates excellent beneficiation
 - 67-71% Fe (p80 @ 106µm)
- Resource definition and metallurgical drilling completed
- Scoping study underway



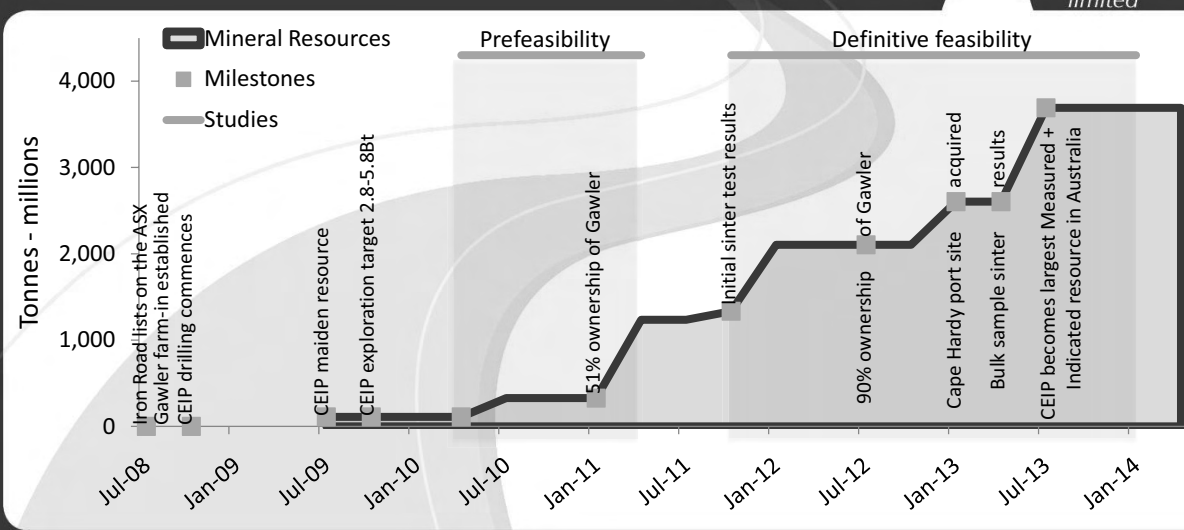
Gawler Conceptual Plant Layout



- Modular plant layout, designed for rail transport
- ~25km from Trans-Australian rail with connection to bulk ports
- Dry process flow sheet, reducing costs
- Tests indicate high quality iron concentrate with similar characteristics to CEIP



Timeline and CEIP Mineral Resource



The Future for Iron Road



Feasibility Study funding secured

- Feasibility studies for both projects funded
- Provides Iron Road robust platform from which to engage with potential project partners and finance providers

Central Eyre

- Largest Measured+Indicated magnetite Mineral Resource in Australia
- Advanced Definitive Feasibility Study, due at the end of 2013
- Long life, low technical/processing risk

Gawler

- Potential shorter term development to provide early cash flow
- Scoping study in progress, resource and metallurgical drilling complete

Market acceptance

- Bulk sample test work confirms target use and end user benefits
- Favourable feedback from steel mills

Strategically positioned

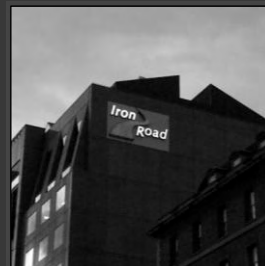
- Strong government support at all levels
- Port site of national significance secured
- Tests indicate premium quality, consistent product

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On the Road to Production

Subscribe to alerts online
www.ironroadlimited.com.au



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Appendices



CEIP Resource Statement



CEIP Global Mineral Resource						
Location	Classification	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)
Murphy South/Rob Roy	Measured	2,222	15.69	53.70	12.84	0.08
	Indicated	474	15.6	53.7	12.8	0.08
	Inferred	667	16	53	12	0.08
Boo-Loo	Inferred	328	17	52	12	0.09
Total		3,691	16	53	13	0.08

The Murphy South/Rob Roy mineral resource estimate was carried out following the guidelines of the JORC Code (2004) by Iron Road Ltd and peer reviewed by Xstract Mining Consultants (Rob Roy). The Boo-Loo mineral resource estimate was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd.

CEIP Indicative Concentrate Specification – 106 micron (p80)			
Iron (Fe)	Silica (SiO ₂)	Alumina (Al ₂ O ₃)	Phosphorous (P)
67%	3.3%	1.9%	0.005%

Risk Factors

You should be aware that there are risks associated with an investment in Iron Road. These can be categorised as specific risks (that is, matters that relate directly to Iron Road's business) and general risks (those that relate to the business in general). Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many are outside the control of Iron Road and cannot be mitigated.

For a description of the risks associated with an investment in Iron Road please see the "Entitlement Offer Booklet" lodged with the ASX on 13 June 2013.

ENTITLEMENT AND ACCEPTANCE APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

REGISTERED OFFICE:
14 EMERALD TERRACE
WEST PERTH WA 6005
AUSTRALIA

IRON ROAD LTD

ABN : 51 128 698 108

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535,
APPLECROSS WA 6953 AUSTRALIA
770 Canning Highway,
APPLECROSS WA 6153 AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

Holder Number:

Eligible Holding as at 7.00pm
AEST on 21 June 2013:

Entitlement to Shares 1:1:

Amount payable on acceptance
@ \$0.18 per Share:

NON-RENOUNCEABLE RIGHTS ISSUE CLOSING AT 5.00PM AEST ON 16 JULY 2013

(1) I/We the above named being registered at 7.00 pm AEST on 21 June 2013 as holder(s) of Shares in the Company hereby accept as follows:

	NUMBER OF NEW SHARES ACCEPTED/APPLIED FOR	AMOUNT ENCLOSED @ \$0.18 PER SHARES
Entitlement or Part Thereof	<input type="text"/> , <input type="text"/> , <input type="text"/>	\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/>
Additional New Shares *	<input type="text"/> , <input type="text"/> , <input type="text"/>	\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/>
TOTAL	<input type="text"/> , <input type="text"/> , <input type="text"/>	TOTAL \$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/>

(* refer to sections 2.2 and 3.3 of the Entitlement Offer booklet regarding the Shortfall Facility)



- (2) I/We have enclosed/made payment for amount shown above (following the payment instructions as detailed overleaf).
- (3) I/We hereby authorise you to place my/our name(s) on the register of members in respect of the number of New Shares allotted to me/us.
- (4) I/We agree to be bound by the Constitution of the Company.
- (5) I/We understand that if any information on this form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept this form, and how to construe, amend or complete it shall be final.
- (6) I/We authorise the Company to send me/us a substituted form if this form ceases to be current.
- (7) I/We declare that I/we have received a full and unaltered version of the Entitlement Offer booklet either in an electronic or paper format.
- (8) My/Our contact details in case of enquiries are:

NAME

TELEPHONE NUMBER
()

EMAIL ADDRESS

BPAY PAYMENT OR THE RETURN OF THIS DOCUMENT WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR ACCEPTANCE OF THE OFFER.

<p>PAYMENT INFORMATION - Please also refer to payment instructions overleaf.</p>		<p>REGISTRY DATE STAMP</p>
	<p>Billers Code: 159483</p> <p>Ref: <input type="text"/></p> <p>BPAY® this payment via internet or phone banking. Your BPAY® reference number is unique to this offer and is not to be used for any other offer.</p>	<p> CHEQUE/MONEY ORDER</p> <p>All cheques (expressed in Australian currency) are to be made payable to IRON ROAD LIMITED and crossed "Not Negotiable".</p>
		<p>E & O.E.</p>

PAYMENT INSTRUCTIONS



Billers Code: 159483

BPAY® this payment via internet or phone banking.
Your reference number is quoted on the front of this form.

Multiple acceptances must be paid separately.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer. BPAY applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

You do not need to return this form if you have made payment via BPAY.

Your BPAY reference number will process your payment to your Entitlement electronically and you will be deemed to have applied for such Shares for which you have paid.



CHEQUE/MONEY ORDER

All cheques should be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable".

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Do not forward cash as receipts will not be issued.

When completed, this form together with the appropriate payment should be forwarded to the share registry:

Security Transfer Registrars Pty Ltd
PO Box 535, APPLECROSS WA 6953.

Applications must be received by Security Transfer Registrars Pty Ltd no later than 5.00pm AEST on the closing date.

EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of New Shares comprising your Entitlement and the price payable on acceptance of each New Share.
2. Your Entitlement may be accepted either in full or in part. There is no minimum acceptance.
3. Subject to the Corporations Act, the requirements of the ASX Listing Rules and any other applicable laws you may also apply for additional New Shares in excess of your Entitlement under the Shortfall Facility. Please refer to sections 2.2 and 3.3 of the Entitlement Offer booklet for further information about the Shortfall Facility.

ENQUIRIES

All enquiries should be directed to the Company's share registry:

Security Transfer Registrars Pty Ltd

PO Box 535, Applecross WA 6953 AUSTRALIA

770 Canning Highway, Applecross WA 6153 AUSTRALIA

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.