



Iron
Road
limited

Central Eyre Iron Project Delivering Iron Ore for the Long Term

September 2014

Cautionary Statements

Forward Looking Statements

This announcement contains certain statements with respect to future matters and which may constitute "forward-looking statements". Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or outcomes to differ materially from those expressed, implied or projected. Investors are cautioned that such statements are not guarantees of future performance and accordingly not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

Competent Persons' Statements

Information relating to the resource estimates for the Boo-Loo prospect and Murphy South-Rob Roy prospect were first disclosed under the JORC Code 2004. This information not been updated since to comply with the JORC Code 2012 on the basis that it has not materially changed since was last reported.

The information in this report that relates to Resources estimated for the Boo-Loo prospect is based on and fairly represents information and supporting documentation compiled by Mr Ian MacFarlane, who is a Fellow of the Australasian Institute of Mining and Metallurgy and an employee of Coffey Mining. 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". Mr MacFarlane consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Resources estimated for the Murphy South-Rob Roy (MSRR) prospect is based on and fairly represents information and supporting documentation compiled by Ms Heather Pearce, who is a member of the Australasian Institute of Mining and Metallurgy, and a full time employee of Iron Road Limited. This estimation was peer review by Dr Isobel Clark, who is a member of the Australasian Institute of Mining and Metallurgy and employed by 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". Dr Clark consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Reserves estimated for MSRR and the Exploration Target within the EL4849 was first announced on 26 February 2014. The Company is not aware of any new information or data which materially affects the information, and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Exploration Potential

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

Cautionary Statements

Modelling based upon 25 year mine life, consisting of:

- Initial 17 years using Proven and Probable Mining Reserve of 2,071Mt @ 15.5% iron (200x100m, 100x50m diamond drill spacing);
- Further eight years using 28% Measured, 24% Indicated and 48% Inferred Resources of 1,303Mt @ 15.0% iron (200x100m diamond drill spacing). Cautionary statement – There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised; and
- Planning underway for a further drilling campaign to extend mine life beyond 30 years.

Base Case Development Model: Encompasses a 25 year mine life, based on existing Ore Reserves and Mineral Resources, producing 21.5 million tonnes of concentrate per annum following a staged ramp up over 2½ years. Modelling does not include revenues from potential third party users of the infrastructure.

Location	Classification	Base Case Development Model
		Proportion (%)
MSRR	Proven Ore Reserves	62%
MSRR	Probable Ore Reserves	6%
MSRR	Measured Resources	9%
MSRR	Indicated Resources	8%
MSRR / BLD	Inferred Resources ¹	15%

The Reserves, Resources and Exploration Target underpinning the production target have been prepared by a competent person in accordance with the JORC Codes 2012 and 2004 (there being no material changes since the Resources were last reported under the JORC Code 2004):

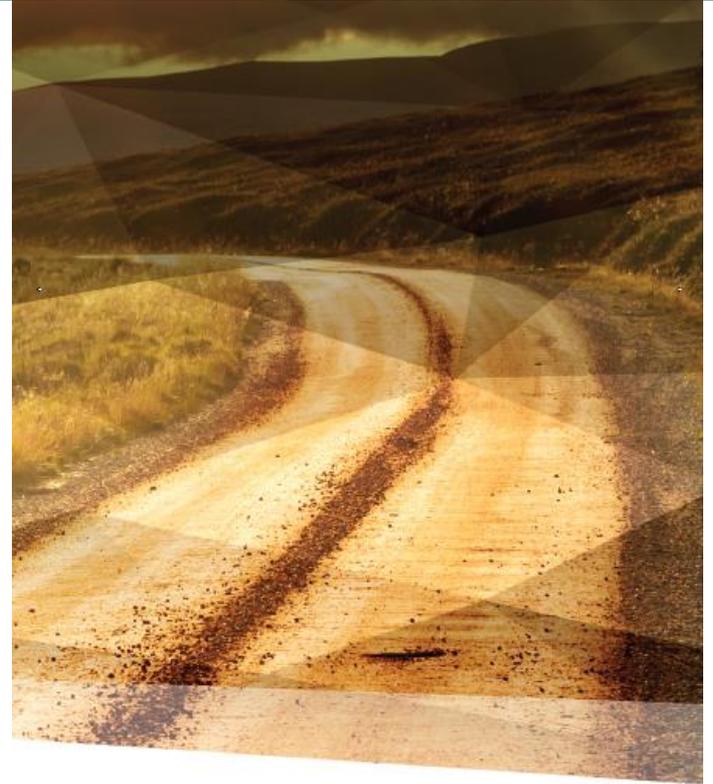
- There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.
- On 26 February 2014, the company announced the results of its definitive feasibility study for CEIP. All material assumptions underpinning the production target and forecast financial information referred to in the announcement continue to apply and have not materially changed. A copy of that announcement can be obtained from ironroadlimited.com

Ready to build Australia's next major magnetite development on the Eyre Peninsula in South Australia

Definitive Feasibility Study complete

- Study highlights an attractive investment opportunity, with strong rate of return, long production life, and able to withstand price fluctuations
- Independent review of Life of Mine operating cost model and financial parameters complete – customer focused, run by steel industry consultants

Data room established. In discussions with potential project participants



Long Life Magnetite Project



First port in S.A capable of berthing

CAPE-SIZE VESSELS

\$100 Million investment on study including **\$68 million** already spent in South Australia



DFS forecast annual revenue

US\$2.8B

as much as all wheat, beer and wine exports from S.A combined

<p>US\$4B</p> <p>Iron Road's Central Eyre Iron Project</p>	<p>\$6B</p> <p>Snowy Hydro Scheme</p> <p><small>* In todays money</small></p>	<p>\$1.9B</p> <p>Royal Adelaide Hospital</p>
---	--	---

JOBS



1950+ Construction

700+ Long term operations

Central Eyre Iron Project (CEIP)

100% owned by Iron Road

\$100 million definitive feasibility study completed

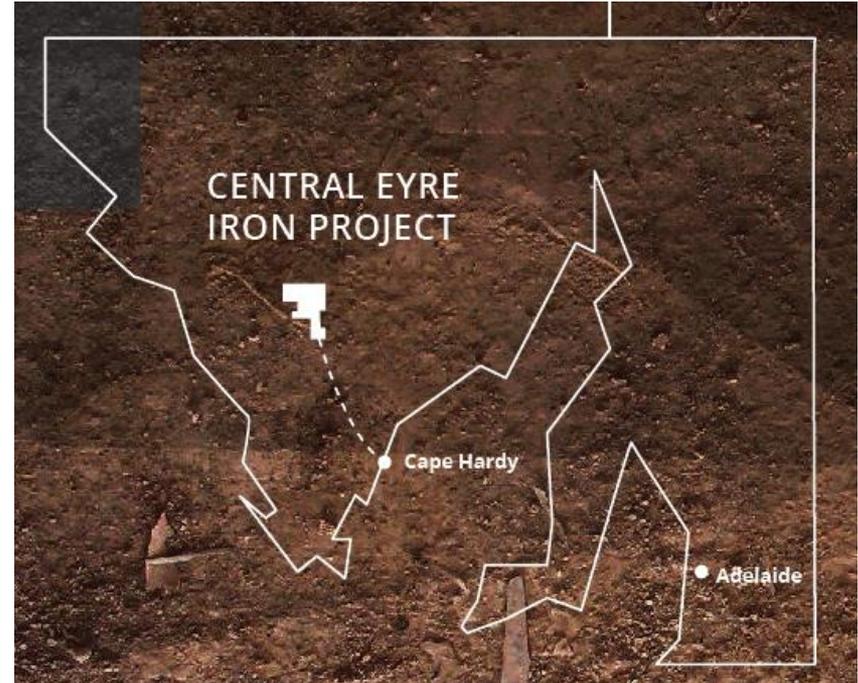
21.5 million tonnes per annum production

2018 production commences

25 years minimum mine life

High quality product reduces steel mill pollution

Integrated mine, rail and port development



Definitive Feasibility Study Key Outcomes

Capital Cost
US\$3.98B
(mine, corridor & port)

Operating Cost
US\$44.33
(FOB)/t

Annual Revenue
US\$2.8B
(concentrate sales)

Capital Intensity
US\$185
(per annual tonne)

Mine Life
25 years
(minimum)

NPV (12.5%)
\$US2.69B
(ungeared, post-tax)

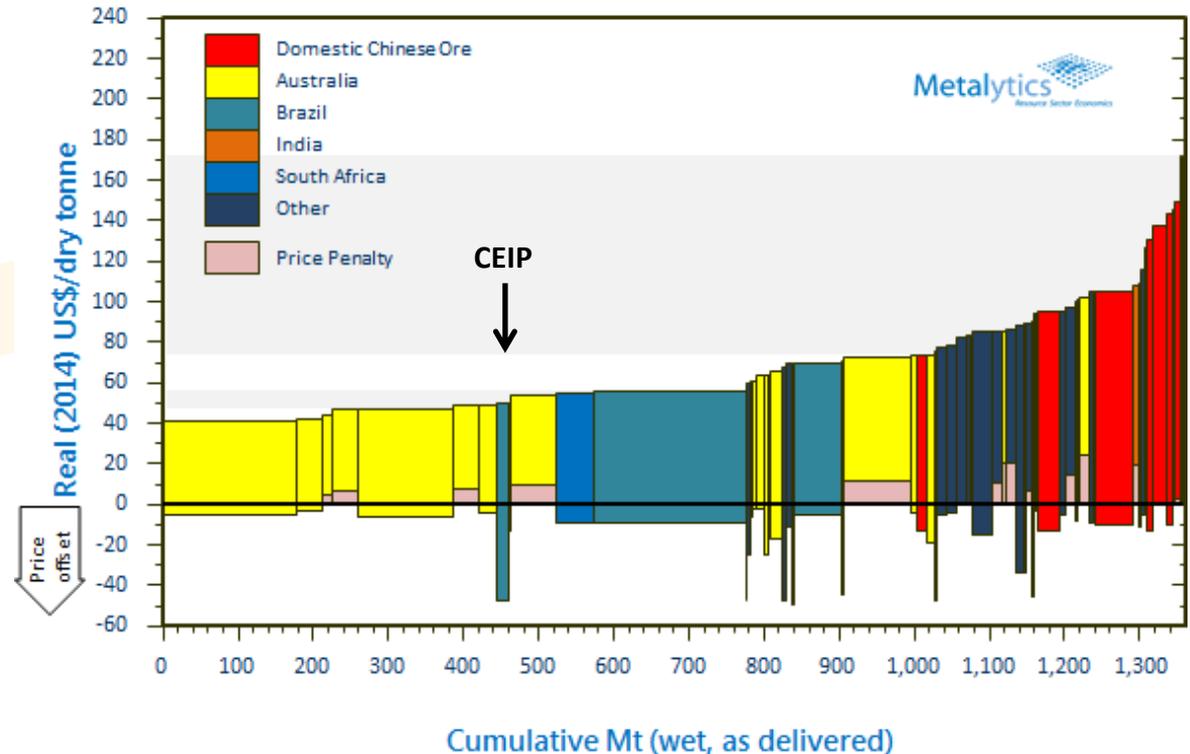
Project IRR
21%
(ungeared, post-tax)

* See Appendices for key assumptions *

Highly Competitive Operating Costs

- FOB operating costs (ex-State royalty) of US\$44.33 per dry metric tonne
- Normalising cost curve for prices received, the CEIP is placed in the second quartile of the 2018 price-adjusted CFR China cost curve
- Competitive with recent large-scale Pilbara developments such as FMG Solomon
- This method compares 'like for like' – everything benchmarked back to the reference 62% iron and accounts for new supply

2018 Price-Adjusted CFR Cost of China's Iron Ore Supply



Market dynamics

- China increasingly working to improve energy efficiencies and air quality
- Strategic concern for Chinese steel industry to secure high quality feedstock in order to meet pollution reduction and energy efficiency goals
- New supply predominantly below benchmark grade

High quality CEIP feedstock allows

- ✓ Less contaminants and power use for steel mills, and therefore less pollution
- ✓ Better efficiency, higher utilisation
- ✓ Widening price differential for above benchmark grades



- Iron ore price weakness a short term issue
- Supply balance will correct
- Robust DFS outcome survives inevitable ups and downs of pricing cycle
- High quality, low impurity product still in demand
- "I knew [magnetite] concentrate was a superior product but I didn't know how strategic it was in Chinese planning for increasing the emphasis of their steel industry into these high quality, special steels."

WA Premier Colin Barnett, 2014

Visual, Cape Hardy Port

Supportive State and Federal Governments

- August 2013 – Major Development status declared by Deputy Premier Mr John Rau
- April 2014 – Major Project Facilitation Status declared by Federal Minister for Infrastructure and Regional Development Mr Warren Truss
- Iron Road is the only current South Australian project to receive the Federal recognition
- Allows for project approvals to be considered at highest level of government
- Clear and transparent framework to achieve timely assessment and approvals
- Infrastructure development application lodged June 2014



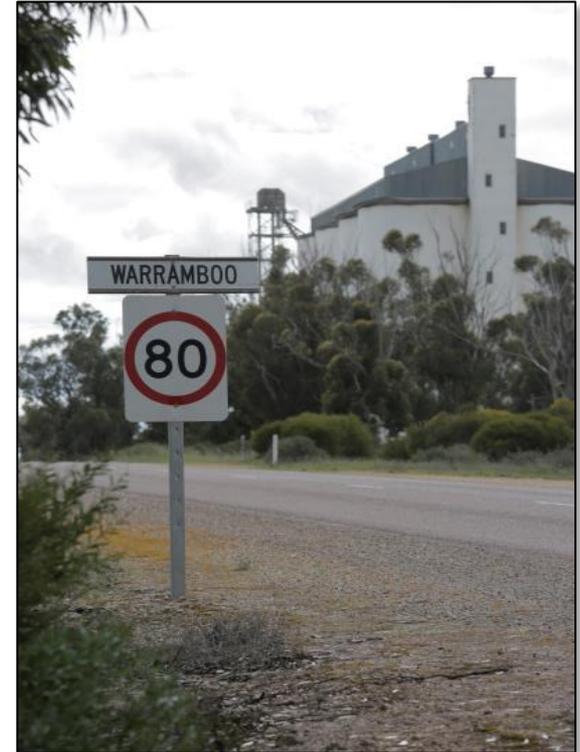
Post DFS – Increasing Production & Mine Life

New drill campaign (Stage IX) underway with objective of:

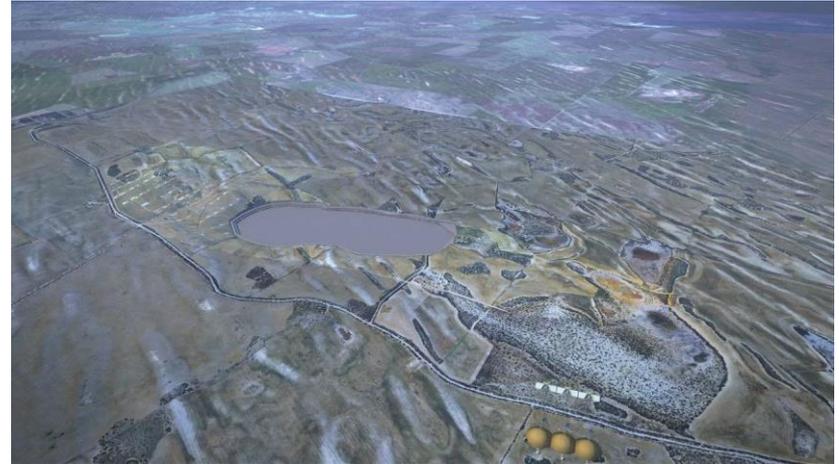
- Increasing mine life beyond the current 25 years
- Increasing annual output to 24Mtpa, delivering concentrate grading $\geq 66.5\%$ iron and $\leq 3.5\%$ silica
- Stage IX will define the down dip extension of the Boo-Loo mineralisation and its relationship with Murphy South, and the extension/nature of the Boo-Loo mineralisation to the east
- Stage IX comprises 15 drill holes for a total of 6,700m, with the deepest holes expected to be ~700m



- Focus is on securing secure financing through project partnership, banks and EPC contractor involvement. Data room established for due diligence review
- Independent review of Life of Mine operating cost model and financial parameters – customer focused, run by steel industry consultant
- Large bulk sample sent to China (through China Iron & Steel Research Institute Group), available for customer testing



- Initial 25 year mine life confirmed
- Production of 21.5Mtpa
- High quality 67% iron concentrate
- Premium iron blending feedstock for sinter, which feeds the majority of blast furnaces
- In pit crushing and conveying
- Gravity separation circuit reduces power demand
- Effective modularisation design mitigates cost and schedule risk



About CEIP Operations: Corridor & rail network

- 148 kilometre heavy-haul railway
- Axle load capacity of 25 tonne
- Transporting 10,000 tonnes of iron concentrate from mine to port
- Ore cars will be covered and comprise a secure bottom chute for unloading
- Potential to connect to national rail network



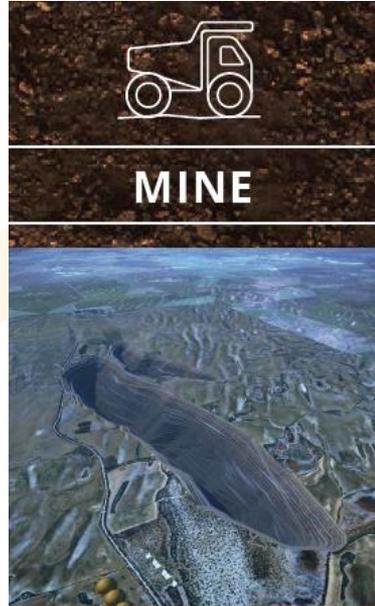
About CEIP Operations: Cape Hardy Port

- Deep water port requires no dredging
- Initial 70Mtpa capacity
- There are third party opportunities for export capacity
- Supports Panamax and Capesize vessels
- Two berths and single shiploader support efficient turnaround times
- 1,100 hectares of land readily supports expansion



Next Steps, Ready to Build

- Finalising government submissions and applications
- Building and strengthening stakeholder relationships
- Offtake discussions continue with the north Asian steel industry
- Project participation discussions progressing with the recent announcement of the DFS findings
- Financing strategy and discussions also continuing





Delivering Australia's Next Fully Integrated Iron Supply Business

Subscribe to alerts online
www.ironroadlimited.com.au

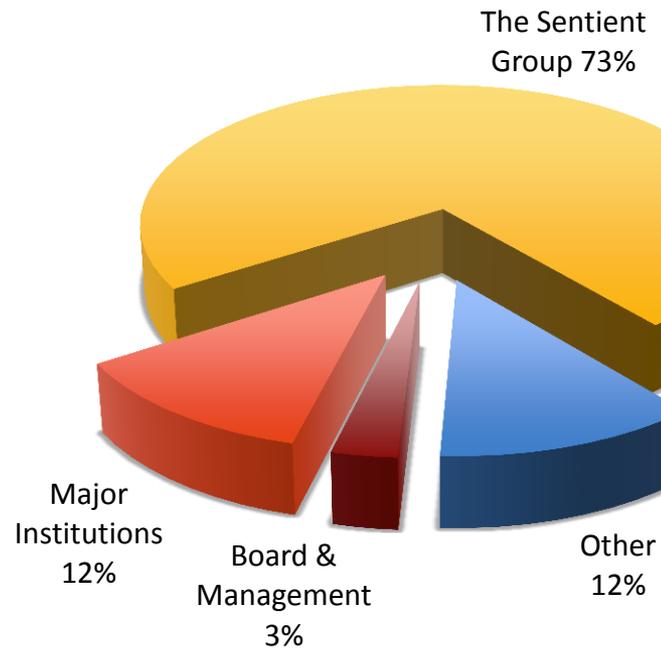


Appendices

Board

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

Key Investors



Management

Larry Ingle	General Manager
Howard Rae	Chief Financial Officer
Aaron Deans	Project Manager
Jeff Reilly	Marketing Manager
Laura Johnston	Approvals Manager
Steven Green	Environmental Manager

Key Financial Parameters

Key Financial Assumptions (real 2013 terms)	
Capital cost estimate (incl. contingencies)	US\$3.98 billion
Pre-stripping and preparatory mining works	US\$0.48 billion
Capital intensity	US\$185 per annual tonne
FOB operating cost (ex state royalty)	US\$44.33/dmt (dry metric tonne)
62% Fe CFR China Index price	US\$112.00/dmt
+ standard grade differential / premium	US\$3.00/dmt per 1% Fe above 62%
+ additional CEIP high quality premium	US\$3.00/dmt
Received 67% CEIP CFR China price	US\$130.00/dmt
Capesize freight rate – Cape Hardy to North Asia	US\$17.73/dmt
Long term AUD/USD	0.85
Nominal discount rate	12.5%
CPI	2.5% p.a.
Corporate tax rate	30%

Key Operating Parameters

Mine life	<ul style="list-style-type: none">• 25 years	Steady state production	<ul style="list-style-type: none">• 21.5Mtpa of concentrate
Mining	<ul style="list-style-type: none">• Ore mined 3.57 billion tonnes over life of mine	<ul style="list-style-type: none">• Mine strip ratio 1.22 : 1 (waste : ore)	
Processing	<ul style="list-style-type: none">• Product size of greater than -130 micron (p80) (~120 mesh)	<ul style="list-style-type: none">• Power demand of 260 megawatts	<ul style="list-style-type: none">• Water requirement of 14 gigitalres per annum
Indicative concentrate specifications	<ul style="list-style-type: none">• ~67% iron	<ul style="list-style-type: none">• <4.0% silica• <2.0% alumina	<ul style="list-style-type: none">• 0.005% phosphorous• 0.002% sulphur

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 Limited 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)	LOI
67%	3.3%	1.9%	0.005%	-2.6

CEIP Reserve Statement

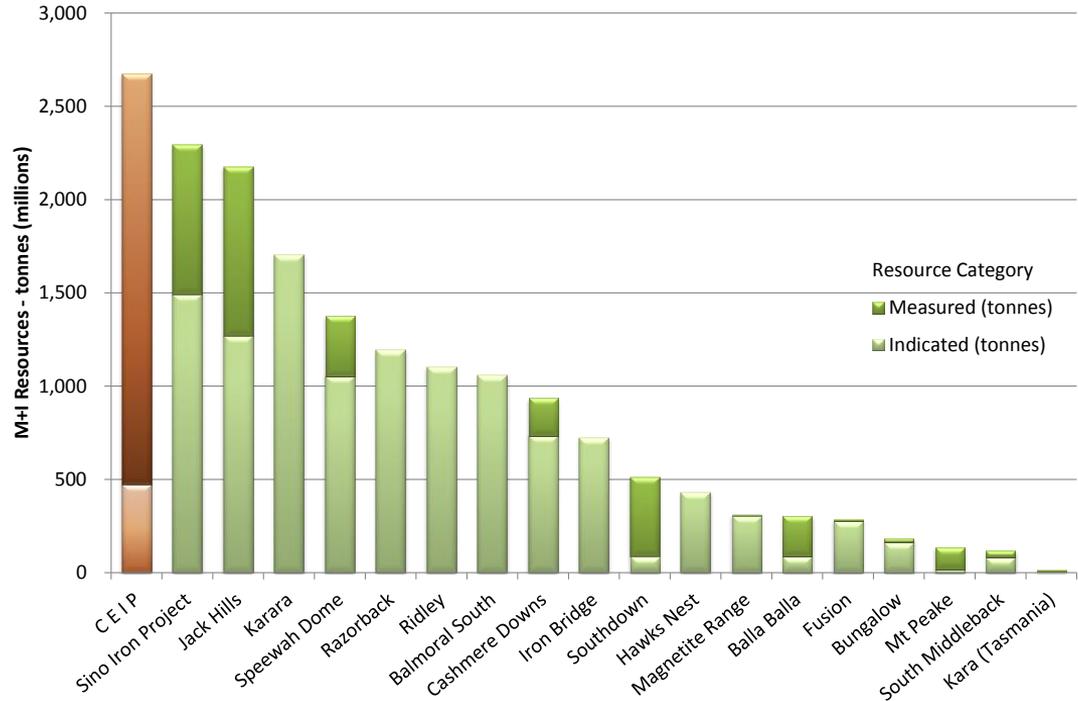
CEIP Global Mineral Resource			
Location	Classification	Tonnes (Mt)	Fe (%)
Murphy South/Rob Roy	Proved	1,871	15.6
	Probable	200	15.1
Total		2,071	15.5

This Statement was first announced on 26 February 2014. The Company is not aware of any new information or data which materially affects the information included in that announcement, and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Large Scale, Long Life Project

Largest Measured + Indicated magnetite Mineral Resource in Australia. **Underpins long life operation:**

- Mineral Resource 3.7Bt @ 16% Fe*
- Exploration Target of 10-21Bt @ 14-20% iron*
- Potential to deliver one billion tonnes of high quality concentrate



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