



Annual General Meeting
Managing Director's presentation
Sydney, 18 November 2016



Cautionary Statements

Forward Looking Statements

This announcement contains certain statements with respect to future matters 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

The information in this report that relates to the Inferred Mineral Resources (Oxide and Transitional) estimated for the Murphy South - Boo-Loo/Dolphin prospect is based on and fairly represents information and supporting documentation compiled by Mr Iain MacFarlane, who was a Fellow of the Australasian Institute of Mining and Metallurgy. Mr MacFarlane at the time of release was a full time employee of Coffey Mining Limited. There has been no material change and as such this resource is reported as it was released in 2011. Mr MacFarlane had sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he was 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 has consented to the inclusion in reports 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 in 2013 for the Murphy South/Rob Roy (Fresh) 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 was a full-time employee of Iron Road Limited. This estimation was peer reviewed by Dr Isobel Clark, who is a member of the Australasian Institute of Mining and Metallurgy and who at the time of release was 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 Mineral Resources (Fresh) estimated for the Boo-Loo/Dolphin 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 was a full-time employee of Iron Road Limited at the time of release. This estimation was peer reviewed by Mr Alex Virisheff, who is a member of the Australasian Institute of Mining and Metallurgy and employed by AMC Consultants. Mr Virisheff 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Virisheff consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The Ore Reserves estimated for CEIP involving mine planning is based on and fairly represents information and supporting documentation compiled by Mr Bob McCarthy, a Member of the Association of Professional Engineers and Geoscientists of British Columbia (Canada) and a full time employee of SRK Consulting (North America). Mr McCarthy 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr McCarthy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The Ore Reserves estimated for the CEIP involving aspects other than mine planning is based on and fairly represents information and supporting documentation compiled by Mr Larry Ingle, a Member of the Australian Institute of Mining and Metallurgy and a full time employee of Iron Road Limited. Mr Ingle has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Ingle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Central Eyre Iron Project



Location map of the Central Eyre Iron Project (CEIP) and its elements.

We have had a strong year developing a credible and bankable project

- Long life mining and infrastructure business
- Declared a national Priority Project by Infrastructure Australia – 1 of 10 nationwide and only ‘opportunity for growth’ candidate
- Government approvals at an advanced stage
- Definitive feasibility study and optimisation study complete – conducted by practitioners (German and Australian), peer reviewed by global IPCC authority (Canadian)
- Several project partners in place with balance sheet capability
- Progressing quickly to Final Investment Decision

Project Development



Ore Reserve

- Ore Reserve increases to 3.7Bt @ 15% (concentrate grade of ~66.5%)
- Largest magnetite Ore Resource in Australia

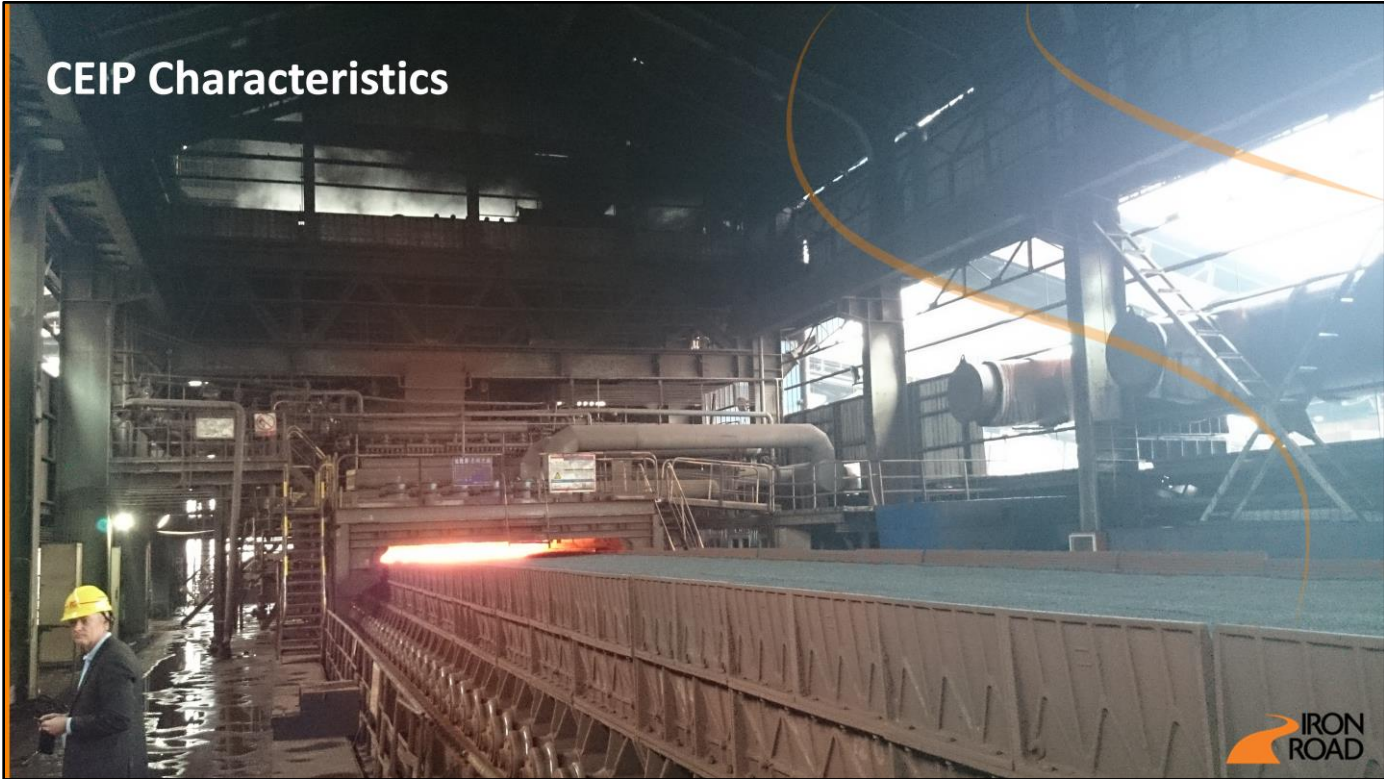
Optimisation Study

- Optimisation study delivered a robust mine plan and reduced operational risk and costs
- Life of Mine average FOB OPEX (ex-state royalty, sustaining capital) reduced to US\$35.38/dmt at baseline AUD = 0.75 USD.

Commercialisation Programme

- Programme well underway and was recently accelerated
- Work is co-ordinated jointly from Adelaide by CREC and IRD Project Manager
- Currently focussed on a capital re-estimate
- Three specialist engineering groups, port, rail and mine/processing, from CREC offices and design institutes in China and Malaysia have visited Adelaide and the CEIP

CEIP Characteristics



Long mine life

- Large orebody, efficient mining plan, long life
- Coarse mineralisation results in lower processing costs

Desirable product

- Tested in real conditions, improves steel mill productivity, reduces power consumption and atmospheric emissions
 - China recently announced steel industry reforms, including reductions in capacity, energy consumption and pollutant emissions
- Large market, strong interest

Control of supply chain

- Modern, efficient supply chain
- Valued by stakeholders
- Planning advanced to call for expressions of interest

Maturing Relationships

铁之路公司、中国中铁和山钢集团三方合作意向书
Iron Road Limited, China Railway Group and Shandong Iron and Steel Group -
Tripartite Co-operation Agreement



签约仪式



- Strategic Co-operation Agreement with China Railway Group Limited (CREC)
- Tripartite Agreement with CREC and Shansteel
- MOU with Sumitomo subsidiary Emerald Grain



Developing a Shared Vision



Image – Members of the Joint Development Team visiting proposed port site at Cape Hardy

Iron Road and China Railway Group

- Agreement includes 12 month Project Commercialisation Programme – finalising bankable construction contracts, iron concentrate sales contracts, equity and debt financing procurement to enable a Financial Close for CEIP to ultimately be achieved
- CREC's subsidiary is providing consultancy services equivalent to A\$5 million for use during the project commercialisation phase.
- CREC anticipates making a direct investment of up to 15% of the total equity for the project in its own right, pending a positive Final Investment Decision.



Image – Members of the Joint Development Team visit local stakeholders and businesses

Developing a Shared Vision



Image – Iron Road Chairman Dr Peter Cassidy with Shandong Iron & Steel President Mr Tao Dengkui in Jinan, China

Iron Road has signed MoUs with five steel mills-

- Covering technical and commercial evaluations of the CEIP iron concentrate

Tripartite agreement-

- Between Iron Road, China Railway Group and Shandong Iron and Steel
- Commits the parties to co-operate and collaborate to enhance the long-term value of the CEIP
- The evaluation of joint development strategy to advance the CEIP

Shandong Iron & Steel bring technical steel making skills to the development team

Developing a Shared Vision



Image – Iron Road and Sumitomo subsidiary, Emerald Grain at the location of the proposed port location at Cape Hardy, South Australia.

Iron Road and Emerald Grain are jointly assessing opportunities to utilise the rail and port infrastructure – it introduces choice for local grain producers



Image – MOU signing ceremony in Adelaide, South Australia

We are building a consortium of like minded companies to develop the CEIP

The port facilities will include two Cape capable berths and module offloading facility

We have chosen Emerald as our grain partner, and are pursuing further opportunities

- Including limited imports and exports of container cargo and high value goods, (eg. hay exports, machinery imports)
- Bulk commodity export, eg. mining and agriculture

Planning is underway to call for Expressions of Interest later this year

- Process managed by Regional Development Australia, with Iron Road supervision

Supportive Government



Image – Iron Road Chairman Dr Peter Cassidy discussing CEIP development in Beijing, China with South Australian Premier Mr Jay Weatherill, Minister for Trade & Investment Mr Martin Hamilton-Smith and head of China Railway Group Limited's (CREC) international business Mr Cai Zemin

Supportive State Government

The CEIP was declared a Major Development by the South Australian government in August 2013 – ensures that project approvals will occur in a co-ordinated and timely fashion across all State Government departments

South Australia and Shandong province enjoy 30 year sister-State relationship



Image - Iron Road Chairman Dr Peter Cassidy, Minister for Infrastructure & Transport The Hon Darren Chester, head of China Railway Group Limited's (CREC) international business Mr Cai Zemin in Canberra, Australia

Supportive Federal Government

The Federal Government granted the CEIP Major Project Facilitation in April 2014 – reaffirmed last week

Infrastructure Australia declared the CEIP infrastructure and Priority Project for the nation in September 2016

Supportive Government



Image

– foreground (l to r) Victor Li of Iron Road, His Excellency Mr Cheng Jingye, China’s Ambassador to Australia and Mr Xiuqing Wang, Chief Economist, China Railway Oriental International Construction Corporation

– background (l to r) Brad Hunter, Iron Road Principal Engineer and Fang Jie, CREC Engineer

China’s Ambassador to Australia visited the joint Iron Road – CREC development team at Iron Road House last month

Electrical Power Comment

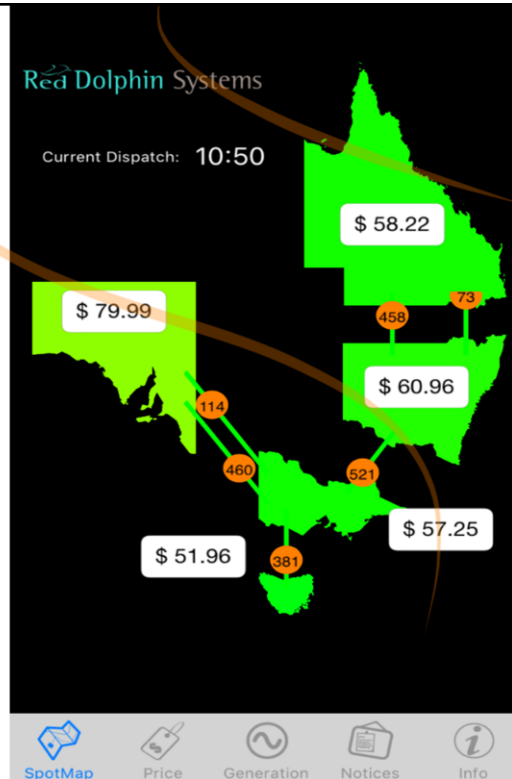
High renewables penetration, without adequate redundancy planning has undermined energy security in South Australia

- Increased reliance on imported electrical power

Status quo leads to increased volatility, higher pricing peaks and ever shorter contracts

- Reduces competitiveness of existing industries and raises new investment hurdle

IRD is working through independent and grid based solutions with government and industry



High renewables penetration, without adequate redundancy planning has undermined energy security in South Australia

- Increased reliance on coal generated Victorian imports (650MW)

Power market status quo leads to increased volatility, higher pricing peaks, ever shorter contracts

- Reduces competitiveness of existing industries and raises new investment hurdle

IRD working through independent and grid based solutions with government and industry

Major studies complete

Largest Magnetite Reserve in Australia

Infrastructure designed for third party access

30+ years supply of premium product

Key partnerships underpin CEIP development

Iron ore and financial markets creating opportunity

Declared a national priority by the Australian Government

The next significant resources development in Australia



Major studies complete – de-risked project

- Resource drilling, environmental and social studies, Indigenous Land Use Agreement, Definitive Feasibility Study and Optimisation Study complete
- Largest magnetite ore reserve in Australia, among the largest globally
- Robust and efficient mine plan key to embedding low life-of-mine cost structure
- 30 years supply of premium, low emission, iron concentrate product
- Government assessment and approvals processes advanced

Key partnerships underpin CEIP development

- Established key partnerships with high quality, major global companies to work with Iron Road to finalise mining, offtake, infrastructure and financial elements of the CEIP
- Pre-briefing key banks
- Joint development team evaluating best equipped local partners
- Partnerships driving momentum towards Final Investment Decision

Iron ore and financial markets creating opportunity

- CEIP's iron concentrate is higher quality than benchmark products resulting in lower emissions and improved productivity
- View of major Chinese steelmakers – One Belt One Road, Asian Infrastructure Investment Bank and steel industry reforms setting scene for market recovery 2018-19

The next significant resources development in Australia

Appendix 1

Table 1 – CEIP Ore Reserve Summary

Resource Classification	Metric Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)
Proved	2,131	15.55	53.78	12.85
Probable	1,550	14.40	58.58	12.64
Total	3,681	15.07	53.70	12.76

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Appendix 2

Table 2 – CEIP Global Mineral Resource

Location	Classification	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Murphy South/Rob Roy	Measured	2,222	15.69	53.70	12.84	0.08	4.5
	Indicated	474	15.6	53.7	12.8	0.08	4.5
	Inferred	667	16	53	12	0.08	4.3
Boo-Loo/Dolphin	Indicated	796	16.0	53.3	12.2	0.07	0.6
	Inferred	351	17	53	12	0.09	0.7
Total		4,510	16	53	13	0.08	3.5

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. The Murphy South - Boo-Loo/Dolphin oxide and transition Resource estimate was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Limited. The Boo-Loo/Dolphin fresh Mineral Resource estimate was carried out following the guidelines of the JORC Code (2012) by Iron Road Limited and peer reviewed by AMC Consultants.

Table 3 – CEIP Indicative Concentrate Specification – 100 micron (p80)*

Iron (Fe)	Silica (SiO ₂)	Alumina (Al ₂ O ₃)	Phosphorous (P)
66.7%	3.36%	1.90%	0.009%

* The concentrate specifications given here are based on current data from metallurgical test work, bulk samples and simulation modelling designed specifically to emulate the proposed beneficiation plant.

