Prefeasibility Study Presentation
On the Road to Production
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The information in this report that relates to Exploration Results is based on and accurately reflects information compiled by Mr Larry Ingle, who is a fulltime employee of Iron Road Limited and a Member of the Australasian Institute of Mining and Metallurgy. Mr Ingle has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ingle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on and accurately reflects information compiled by Mr Iain Macfarlane and Mr Alex Virisheff, both of Coffey Mining Ltd, who are consultants and advisors to Iron Road Limited and Members of the Australasian Institute of Mining and Metallurgy. Mr Macfarlane and Mr Virisheff have sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Macfarlane and Mr Virisheff consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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Overview

On the Road to Production

• Focused on Central Eyre Iron Project (CEIP)
• Experienced board, management and study consultants
• Supportive key investors
• Positive government and local communities
• PFS result at the CEIP indicates a robust 12.4Mtpa iron project
  – Competitive capital and operating costs
  – Favourable export infrastructure options
Board & Management

Chairman
Julian Gosse

Non-Exec Director
Ian Hume

Non-Exec Director
Jerry Ellis

Non-Exec Director
Matthew Keegan

Managing Director
Andrew Stocks

Company Secretary
Graham Anderson

General Manager
Larry Ingle

Land Manager
Laura Johnston

Geology Manager
Milo Res

Project Manager
Fop Vanderhor
## Corporate Overview

### Capital Structure

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<tr>
<td>Market Cap</td>
<td>$129 million</td>
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<tr>
<td>Shares on Issue</td>
<td>113.7M</td>
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<tr>
<td>Options</td>
<td>24.6M</td>
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<td>Share Price</td>
<td>$1.135</td>
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*As at 9 June 2011*

### Major Shareholders

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<thead>
<tr>
<th>Shareholder</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>The Sentient Group</td>
<td>29.2%</td>
</tr>
<tr>
<td>Management</td>
<td>10.6%</td>
</tr>
<tr>
<td>Columbia University</td>
<td>5.4%</td>
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<table>
<thead>
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</table>
Central Eyre Iron Project

- Iron Road’s primary project
- Centrally located on Eyre Peninsula, South Australia
- Well serviced by established towns on road and rail networks
- Favourable geographical and climatic location
- Supportive state and local governments
- Good relationships with local communities
- Large scalable magnetite project, with low variability
- Growing resource – 1.2 billion tonnes
- Large potential – 2.8-5.8 billion tonnes exploration target

1 Refer to Competent Persons Statement on page 2. 2 Refer to Exploration Target notes on page 2.
## What Differentiates the CEIP?

<table>
<thead>
<tr>
<th></th>
<th>CEIP magnetite gneiss</th>
<th>Typical BIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Archaean</td>
<td>Proterozoic</td>
</tr>
<tr>
<td>Geological history</td>
<td>High grade metamorphism</td>
<td>Low grade metamorphism</td>
</tr>
<tr>
<td>Mineralogy</td>
<td>Granular, low impurities</td>
<td>Microcrystalline, impurities vary</td>
</tr>
<tr>
<td>Magnetite grain size</td>
<td>1.5mm average, crystalline sharp boundaries</td>
<td>Very fine grained, intergrown</td>
</tr>
<tr>
<td>Hardness</td>
<td>Moderate</td>
<td>Very hard</td>
</tr>
<tr>
<td>Deposit size</td>
<td>Very large</td>
<td>Varies</td>
</tr>
<tr>
<td>Grind size</td>
<td>106-125μm</td>
<td>28-38μm</td>
</tr>
<tr>
<td>(to achieve &lt;5% silica)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PFS Summary

• Substantial 12.4Mtpa iron product operation outlined
• Capital and operating costs compare favourably to similar Australian projects
• Close to coast, power and with existing infrastructure
• Significant competitive advantages
  – Coarse grind size (-106 micron) → reduced power use, lower operating costs, no need for pellet plant
  – Blast furnace feed (sinter) → much wider market
  – Large open cut mine, low strip ratio and good geotechnical characteristics → minimised mining costs
• Project economics dictated by physical characteristics of ore and low strip ratio, not in ground grades
• Preliminary partnership and financing discussions have commenced
PFS Key Parameters

• Commercial viability for a 12.4 million tonne per annum standalone iron concentrate operation
• Competitive capital and operating costs
• Coarse grained magnetite, low variability – excellent product characteristics offset lower head grade
• Conventional open cut mining, low strip ratio – 0.8 to 1
• Simple and efficient beneficiation process using off the shelf processing technology
• Grind size of -106 micron, producing conc of 67% iron
• Concentrate to be marketed as a high quality sinter feedstock
• Significant value upside with further resource definition and future expansion options

Capex – direct A$1,744M
Capex – indirect A$517M
Capex – contingency A$338
Opex – FOB A$59/t
Base case NPV A$1,091M
Strip ratio (waste:ore) 0.8:1
Process rate 67.6Mtpa
Concentrate production 12.4Mtpa
Concentrate grade 67% Fe
Low Strip Ratio

- Mine design and scheduling by Coffey Mining
- Large scale conventional mining
- Open cut operation, with low strip ratio of 0.8 to 1
- Optimised pit depth of 550m – may increase with latest drilling
- Excellent geotechnical properties
  - (15m benches, 70° batters)
- Operating cash flow versus pit shell size curve is very flat
  - the pit is robust and the shell selected for detailed pit design work is not critical
Large Resource with Great Upside
Premium Concentrate Product

- Beneficiation design by Mineral Engineering Technical Services (METS)
- Grind size of -106µm (p80) resulting in 67% Fe concentrate
- Potential -125µm option currently being investigated
- To be marketed as a high quality sinter feedstock
- Blast Furnace grade and product characteristics – no need for pellet plant
- Expected to be suitable for blending with ‘earthy’ Pilbara style fines
- Large potential customer base
Benchmarking Concentrate Grade

Concentrate Grade - % iron

P80 Grind Size – micron

- EMG-Beyondie
- ARH-Balmoral
- AGO-Ridley
- GBG-Karara
- ACS-Magnetite Range
- CFE-Cape Lambert
- VMC-Yalgoo
- CXM-Bungalow
- GIR-Yerecoin
- IRD-CEIP (40 micron)
- IRD-CEIP (53 micron)
- IRD-CEIP (75 micron)
- IRD-CEIP (106 micron)
- IRD-CEIP (125 micron)

FXR-Mt Oscar

IRD

0 20 40 60 80 100 120
56 58 60 62 64 66 68 70 72
Simple Processing

67.6Mtpa

ROM Ore

Mass 100%

Fe: 16.8%

SiO₂: 53.0%

Crushing

P₈₀ ~ 30 mm

Rougher W-LIMS

P₈₀ ~ 8 mm

Tails

Mass 39%

Ball Mill

61%

Fe: 24%

SiO₂: 47 %

HPGR

Tails

Mass 43%

Cleaner W-LIMS

P₈₀ ~106 μm

Concentrate

12.4Mtpa

Mass 18%

Fe: 67%

SiO₂: 4.7%

MURPHY SOUTH DEPOSIT
Base case PFS includes slurry pipeline to port

PFS includes costs and charges to use a third-party port

Potential upside including rail options have been considered at scoping level with encouraging results

Project scale sufficient to justify development of standalone port facility
Value Through Resource Growth

- Base case incorporates current Murphy South Mineral Resource.
- Completed extension drilling expected to increase Mineral Resource by 80-120Mt\(^1\) this year.
- Current drill programme on Murphy South (west) expected to increase Mineral Resource by 500-800Mt\(^1\) this year.
- Further drill programme for Murphy South (east) submitted to Primary Industry & Resources SA.
- Additional mineral resources will substantially increase project value.

\(^1\) Refer Exploration Target notes on page 2
<table>
<thead>
<tr>
<th>Item</th>
<th>Units</th>
<th>Base Case ¹</th>
<th>Spot FOB price over current resource</th>
<th>30 year project life², long term pricing</th>
<th>30 year project life², Spot FOB pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital cost – direct</td>
<td>A$ million</td>
<td>1,744</td>
<td>1,744</td>
<td>1,744</td>
<td>1,744</td>
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<tr>
<td>Capital cost – indirect</td>
<td>A$ million</td>
<td>508</td>
<td>508</td>
<td>508</td>
<td>508</td>
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<tr>
<td>Contingency</td>
<td>A$ million</td>
<td>338</td>
<td>338</td>
<td>338</td>
<td>338</td>
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<tr>
<td>Operating cost</td>
<td>FOB A$/t of product</td>
<td>59</td>
<td>59</td>
<td>59</td>
<td>59</td>
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<tr>
<td>NPV</td>
<td>A$ million</td>
<td>1,091</td>
<td>2,046</td>
<td>2,478</td>
<td>3,797</td>
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</table>

1. Base Case incorporates current Murphy South Mineral Resource and long term pricing forecast by Ferrum Consultants. Long term pricing average US$/t 100.78 (FOB), US$/A$ exchange rate of 0.80. Spot pricing US$/t 154.00 (FOB), US$/A$ exchange rate of 1.07.
2. Refer Exploration Target notes on page 2
**Future Growth and Development Pathway**

**Additional Resource definition**, with Stage VI drilling underway.
- On track to define a mineral resource estimate of considerable size and tonnage additional to the current 907Mt identified at Murphy South so far
- Exploration Target for the completed programme of 80-120Mt magnetite gneiss*
- Exploration Target for the current programme of 500-800Mt magnetite gneiss*
- Overall Exploration Target at CEIP of 2.8-5.8 billion tonnes of magnetite gneiss*

**Offtake and finance partnership discussions commenced.**
- Prefer an industrial partner, with sizeable balance sheet
- Potential sale/JV up to 50% of project
- Overall financing structure not determined, but 70% debt / 30% equity reasonable objective

**Definitive Feasibility Study to commence.**
- Secure project locations
- Project impact studies and permitting
- Complete infrastructure selection and identify synergies with others
- Investigate 125 micron and rail scenario
- Include Stage 2 – increasing production 50-100% from Stage 1

*Refer Exploration Target notes page 2*
Credible, competitive project at Central Eyre Iron Project
- Large scalable production base, simple beneficiation
- Realisable capital cost, competitive operating cost
- Premium product highly sought after
- Large customer and offtake market

Strong future upside and value growth potential
- Capable and determined team
- Long term funding and partnership selection has commenced
- Resource expansion in progress – South Australia’s largest iron ore resource set to get bigger
- Ongoing project studies to enhance confidence and value
Contact Details

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admin@ironroadlimited.com.au
Andrew Stocks
Managing Director
+61 8 9200 6020
+61 403 226 748
## Murphy South Mineral Resource Estimate

<table>
<thead>
<tr>
<th>Resource Classification</th>
<th>Oxidation</th>
<th>Material Type</th>
<th>Tonnes (Mt)</th>
<th>Fe (%)</th>
<th>SiO$_2$ (%)</th>
<th>Al$_2$O$_3$ (%)</th>
<th>P (%)</th>
<th>LOI (%)</th>
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<tbody>
<tr>
<td>Inferred</td>
<td>Fresh</td>
<td>Disseminated</td>
<td>242</td>
<td>17.7</td>
<td>52.4</td>
<td>12.0</td>
<td>0.09</td>
<td>0.3</td>
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<tr>
<td></td>
<td></td>
<td>Banded</td>
<td>53</td>
<td>13.4</td>
<td>54.6</td>
<td>14.1</td>
<td>0.07</td>
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<td></td>
<td>Transitional</td>
<td>Disseminated and banded</td>
<td>27</td>
<td>16.3</td>
<td>50.6</td>
<td>14.0</td>
<td>0.06</td>
<td>5.7</td>
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<tr>
<td></td>
<td>Oxide</td>
<td></td>
<td>43</td>
<td>16.4</td>
<td>50.3</td>
<td>14.0</td>
<td>0.06</td>
<td>5.9</td>
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<tr>
<td></td>
<td><strong>Total Inferred</strong></td>
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<td>365</td>
<td>16.8</td>
<td>52.4</td>
<td>12.7</td>
<td>0.08</td>
<td>1.4</td>
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<tr>
<td>Indicated</td>
<td>Fresh</td>
<td>Disseminated</td>
<td>290</td>
<td>19.2</td>
<td>51.6</td>
<td>11.5</td>
<td>0.10</td>
<td>0.2</td>
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<tr>
<td></td>
<td></td>
<td>Banded</td>
<td>252</td>
<td>13.6</td>
<td>54.4</td>
<td>14.0</td>
<td>0.08</td>
<td>0.5</td>
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<td></td>
<td><strong>Total Indicated</strong></td>
<td></td>
<td>542</td>
<td>16.6</td>
<td>52.9</td>
<td>12.6</td>
<td>0.09</td>
<td>0.3</td>
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<td></td>
<td><strong>Total Murphy South</strong></td>
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<td>907</td>
<td>16.7</td>
<td>52.7</td>
<td>12.6</td>
<td>0.08</td>
<td>0.7</td>
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The Murphy South mineral resource estimate was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd.
### Boo-Loo Mineral Resource Estimate

<table>
<thead>
<tr>
<th>Resource Classification</th>
<th>Oxidation</th>
<th>Tonnes (Mt)</th>
<th>Fe (%)</th>
<th>SiO₂ (%)</th>
<th>Al₂O₃ (%)</th>
<th>P (%)</th>
<th>LOI (%)</th>
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<tbody>
<tr>
<td>Fresh</td>
<td></td>
<td>277</td>
<td>17.3</td>
<td>52.5</td>
<td>11.5</td>
<td>0.095</td>
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<td>Inferred</td>
<td>Transitional</td>
<td>13</td>
<td>17.0</td>
<td>52.4</td>
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<td>0.094</td>
<td>10.7</td>
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<tr>
<td>Oxide</td>
<td></td>
<td>38</td>
<td>17.2</td>
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<td>0.094</td>
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<td>Total</td>
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<td>328</td>
<td>17.3</td>
<td>52.4</td>
<td>11.5</td>
<td>0.095</td>
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*The Boo-Loo mineral resource estimate was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd.*
### Central Eyre Iron Project Global Mineral Resource Estimate

<table>
<thead>
<tr>
<th>Resource Classification</th>
<th>Oxidation</th>
<th>Tonnes (Mt)</th>
<th>Fe (%)</th>
<th>SiO₂ (%)</th>
<th>Al₂O₃ (%)</th>
<th>P (%)</th>
<th>LOI (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh</td>
<td>572</td>
<td>17.1</td>
<td>52.7</td>
<td>12.0</td>
<td>0.09</td>
<td>0.4</td>
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<tr>
<td>Transitional</td>
<td>40</td>
<td>16.5</td>
<td>51.2</td>
<td>13.2</td>
<td>0.07</td>
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<tr>
<td>Oxide</td>
<td>81</td>
<td>16.8</td>
<td>51.1</td>
<td>12.9</td>
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<td>Total Inferred</td>
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<td>1.7</td>
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<tr>
<td>Indicated</td>
<td>541</td>
<td>16.6</td>
<td>52.9</td>
<td>12.6</td>
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<td>Total</td>
<td>1,234</td>
<td>16.8</td>
<td>52.6</td>
<td>12.3</td>
<td>0.09</td>
<td>1.1</td>
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*The Murphy South and Boo-Loo mineral resource estimates were carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd.*
## Appendix 2 – Capital Cost Estimate

<table>
<thead>
<tr>
<th>Direct Costs</th>
<th>Estimated A$ Millions</th>
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<tbody>
<tr>
<td>Crushing circuit</td>
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<tr>
<td>Fine grind &amp; mag sep</td>
<td>152.4</td>
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<tr>
<td>Milling area &amp; infrastructure</td>
<td>294.1</td>
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<tr>
<td>Tailings handling</td>
<td>59.3</td>
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<tr>
<td>Desalination plant</td>
<td>76.9</td>
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<tr>
<td>Port facility</td>
<td>117.7</td>
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<tr>
<td>Pump stations</td>
<td>463.0</td>
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<tr>
<td>Plant services</td>
<td>6.1</td>
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<tr>
<td>Power lines and coms</td>
<td>170.5</td>
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<tr>
<td>Tailings dam - prework</td>
<td>160.2</td>
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<tr>
<td><strong>Total directs</strong></td>
<td><strong>1744.3</strong></td>
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<table>
<thead>
<tr>
<th>Indirect Costs</th>
<th>Estimated A$ Millions</th>
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<tr>
<td>Field indirect – 12.0%</td>
<td>209.3</td>
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<tr>
<td>EPCM – 8.0%</td>
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<tr>
<td>Vendor reps – 1.5%</td>
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<tr>
<td>Capital spares – 4.0%</td>
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<td>Commissioning – 0.5%</td>
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<td>First fills</td>
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<td>Insurances – 3.0%</td>
<td>52.3</td>
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<td><strong>Total indirects</strong></td>
<td><strong>508.0</strong></td>
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<th>Contingency</th>
<th>Estimated A$ Millions</th>
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<td>Direct and indirect – 15%</td>
<td>337.8</td>
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<tr>
<td><strong>Total contingency</strong></td>
<td><strong>337.8</strong></td>
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