



Port Neill Cape Hardy Community Information drop in session in early January 2014

Iron Road set to reveal cost estimate - proposed Warrambo mine to Cape Hardy port

Six years of hard work are due to culminate in late February with the finalisation of our definitive feasibility study (DFS) for the Central Eyre Iron Project (CEIP).

The DFS is developed for potential investors/partners and will provide an estimate of costs, detailing the necessary capital and operational expenditure required to develop and operate all aspects of the CEIP – from mine to port.

A summary of the DFS results will be made available to the public, initially via an ASX release late in February and then in other formats thereafter.

It is expected that the proposed mine and associated rail and port development will provide jobs and economic benefits to the Eyre Peninsula for decades.

The CEIP will be large enough to create 1,600 direct jobs in the construction phase and 650 in the operational phase, and for every direct job the project creates, an estimated three extra jobs will potentially be created across the Eyre Peninsula.

How our chemical-free process will work

The type of iron ore we will be mining is magnetite, which is the most magnetic of all naturally occurring minerals on Earth.

This property – which is how ancient people first became aware of magnetism – is central to the chemical-free processes we will be using after the ore has been extracted from the ground.

When the ore is first mined, it will have about 16% iron content.

Blast furnaces, which turn iron ore into steel, need much higher iron content for their feedstock.

To raise the iron content in the ore to 67%, we will use a simple, chemical-free crushing and grinding process in which the waste rock is then separated from the magnetite with magnets and gravity.

The product produced by this beneficiation will be a premium high-grade iron concentrate ready for blast furnaces.

Initial tests indicate that the iron concentrate will be of such quality that the steel mills will pay a premium price for it.



The magnetic properties of magnetite

Our first drilling programme commenced in late 2008 and since then, we have drilled over 500 holes and delineated a deposit of 3.7 billion tonnes.

This makes the proposed mine at Warrambo Australia's largest measured magnetite mineral resource, with a conceptual target well beyond the already proven 3.7 billion tonnes.

In addition to the proposed mine, the DFS includes a long term accommodation village to be built within the Wudinna area, which itself will be separate from the construction camp situated at the mine site.

The proposed deep water port at Cape Hardy, approximately 7km south of Port Neill, will be the first cape size port in South Australia and be able to handle various exports with spare capacity for third parties from start up. The port will be able to operate smoothly all year round because of the relatively benign climate. It will be free of cyclones that plague tropical ports and ice that plagues arctic ports.

An infrastructure corridor which will include a standard gauge railway, power line and water pipeline will connect the proposed mine at Warrambo, to the proposed port at Cape Hardy.

Over the past two years in particular, we have been undertaking on-going consultation events including community meetings, Information sessions and focus groups to build our understanding of the local community and maximise benefits for people on the Eyre Peninsula as part of the DFS.

An important step for future consultation is the formation of the community-led CEIP Community Consultation Committee (CCC), of which Helen Lamont has been



Anticipated timeframes

- Lodgement of initial Development Application for infrastructure components of the CEIP (Development Act) – first half 2014
- Lodgement of mining lease application for the mine (Mining Act) – second half 2014
- Lodgement of Environmental Impact Statement after the issue of Guidelines by government (Development Act) - second half 2014
- Expected South Australian Government approvals – first half 2015
- Commence construction* – mid -2015
- Commercial operation* – 2018

**assumes project financing by mid-2014*

appointed independent Chair. We are looking forward to discussing aspects of our upcoming Mining Lease Proposal application with the CEIP CCC as well as the parts of the project that will impact the daily lives of the existing community's e.g. local roads, facilities, environmental impacts etc.

It is important to note that DFS is not an application to Government for any approvals; rather, it is a very big but necessary step for the Company to show potential investors that the CEIP is viable.

With the last of the numbers in the DFS being crunched and in preparation of releasing those numbers to the public shortly, we are excited about the future of the Eyre Peninsula and its communities.