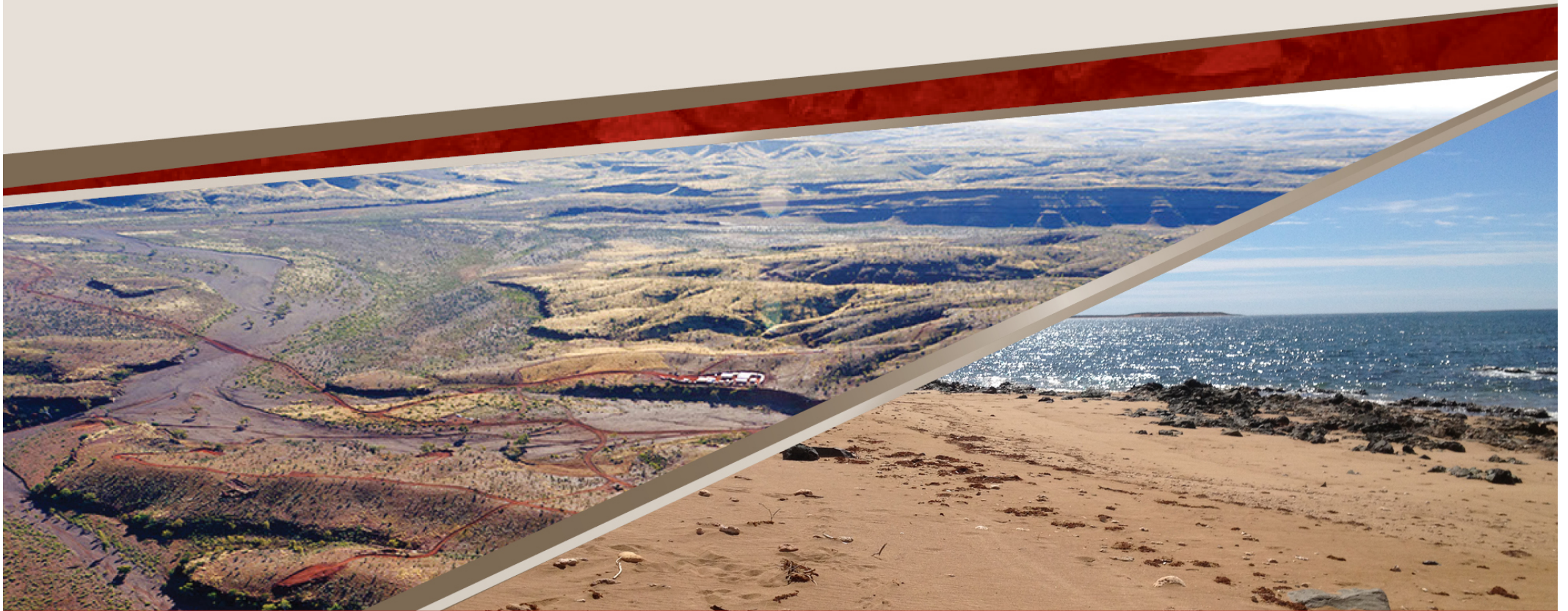


# Iron Ore Holdings Ltd



## Investor Presentation

March 2013



# Corporate Overview

*A stable corporate structure with a proven track record of completing transactions*

## Background

- ASX listed in 2005 (ASX:IOH)
- Three projects in the Pilbara region of Western Australia
- 1.6 billion tonnes<sup>1</sup> JORC Mineral Resources
- Five successful project transactions in two years

## Board Members

- **Hon. Richard Court AC** (Non-Executive Chairman)
- **Alwyn Vorster** (Managing Director)
- **Ryan Stokes** (Non-Executive Director)
- **Malcolm Randall** (Non-Executive Director)
- **Brian O'Donnell** (Non-Executive Director)

## Capital Structure

### Cash

(as at 31 December 2012)

**~A\$91 million**

### Shares On Issue

**161 million**

### 52 Week Range

**~A\$0.75 - A\$1.73**

### Market Cap

(as at 8 March 2013)

**~A\$190 million**

## Share Price

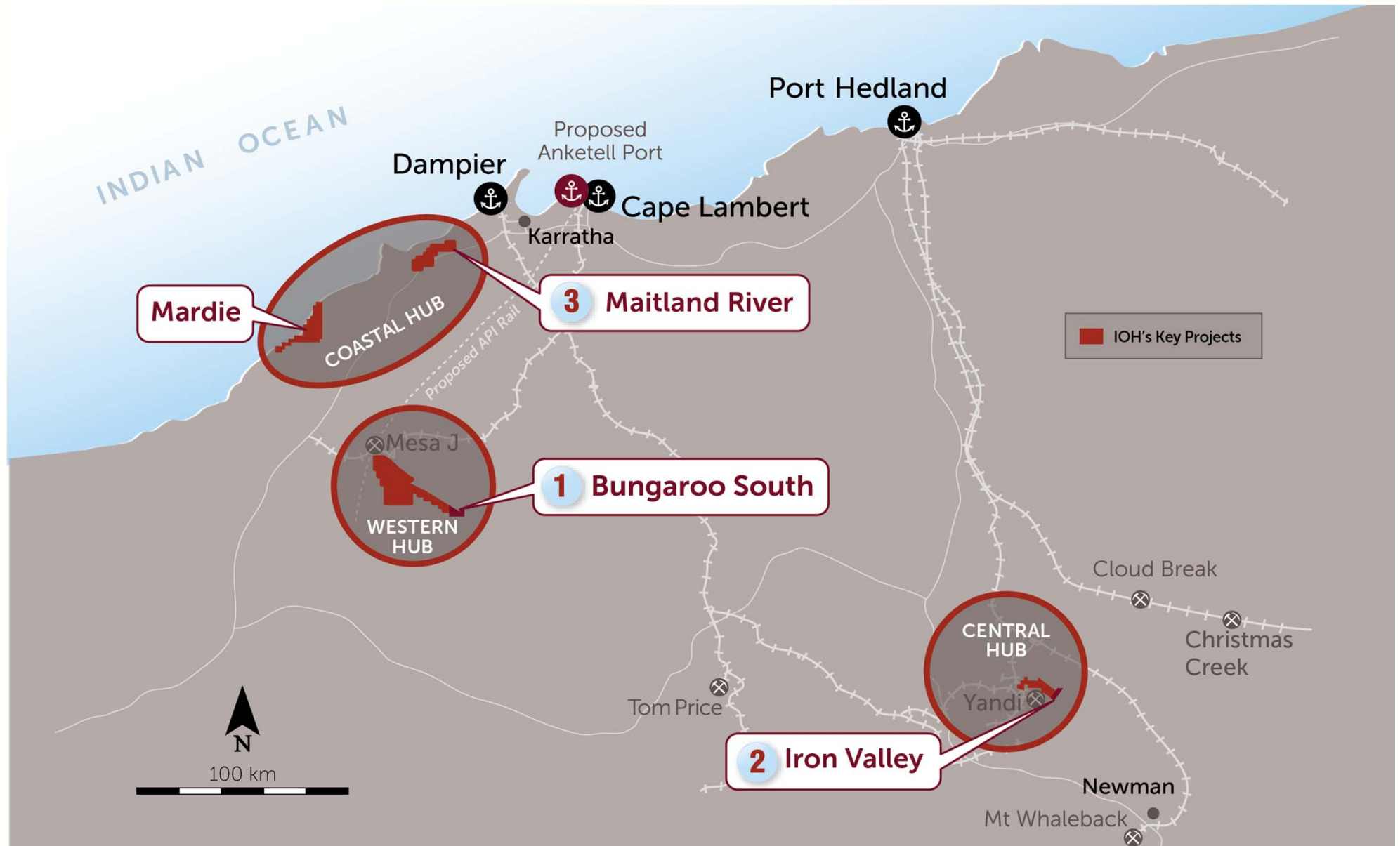
(from 1 January 2013)



1: Hematite : Indicated 263Mt; Inferred 306Mt. Magnetite: Inferred 1,106Mt.

# Location of Key IOH Projects

3 key projects in the Pilbara



Central Hub - Hematite: Indicated 263Mt; Inferred 42Mt. Western Hub - Hematite: Inferred 276Mt. Coastal Hub - Magnetite: Inferred 1,106Mt.



# Iron Valley Project

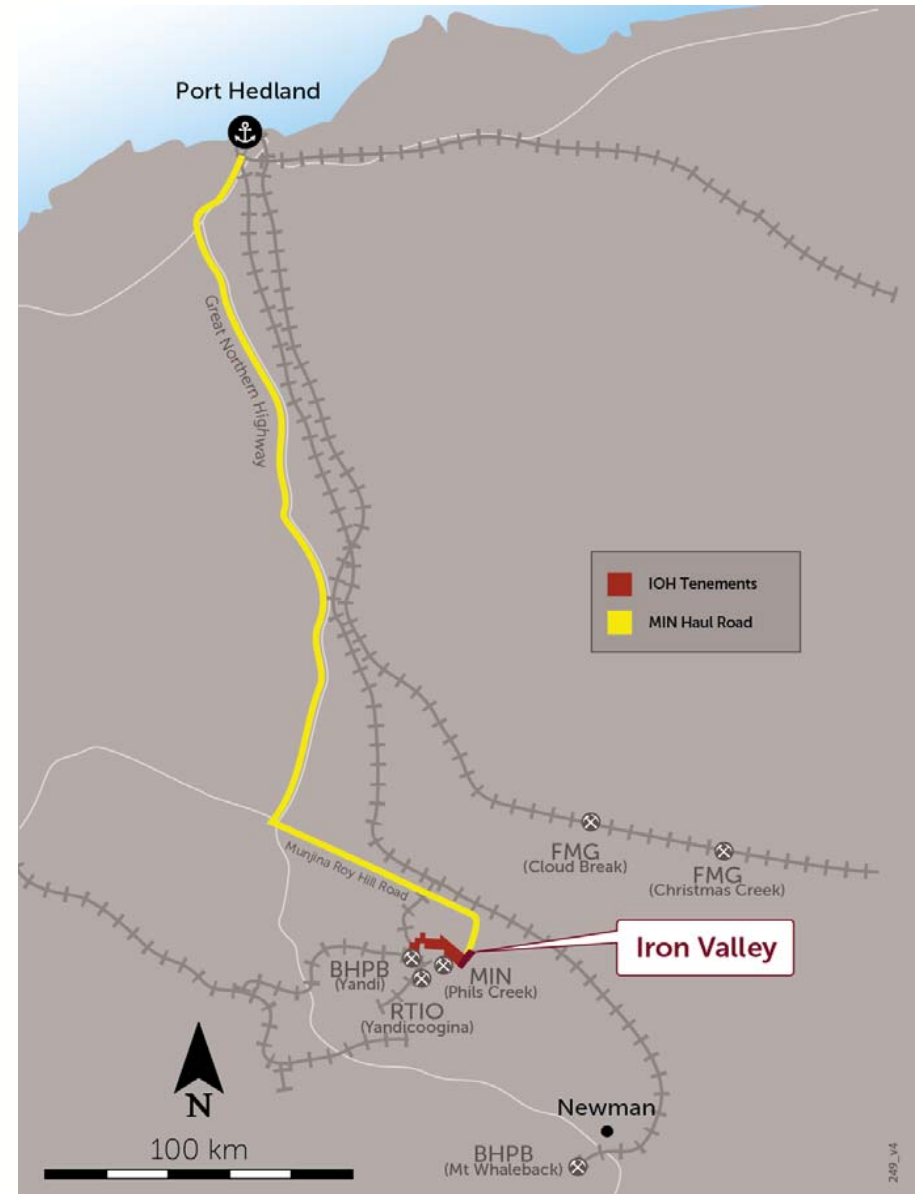


# Iron Valley

## Milestone Transaction Secured

- Mineral Resource of 259Mt<sup>1</sup> @ 58.3% Fe (Bedded Hematite)
- Ore Reserve of 134Mt<sup>2</sup> @ 58.5% Fe
- Native Title, Mining Lease and Environmental approvals secured
- Mine Gate Sale Agreement with Mineral Resources Limited (MIN) - 28 Feb 2013
- Mine Gate Sale – Key Terms:
  - IOH remains owner of Iron Valley Tenement
  - MIN to develop and operate mine at MIN cost
  - MIN to purchase a guaranteed minimum tonnage from IOH
  - Mining to commence by early 2014
  - Potential for significant IOH Revenue and EBITDA

1. Indicated 216Mt; Inferred 43Mt.
2. Probable 134Mt.

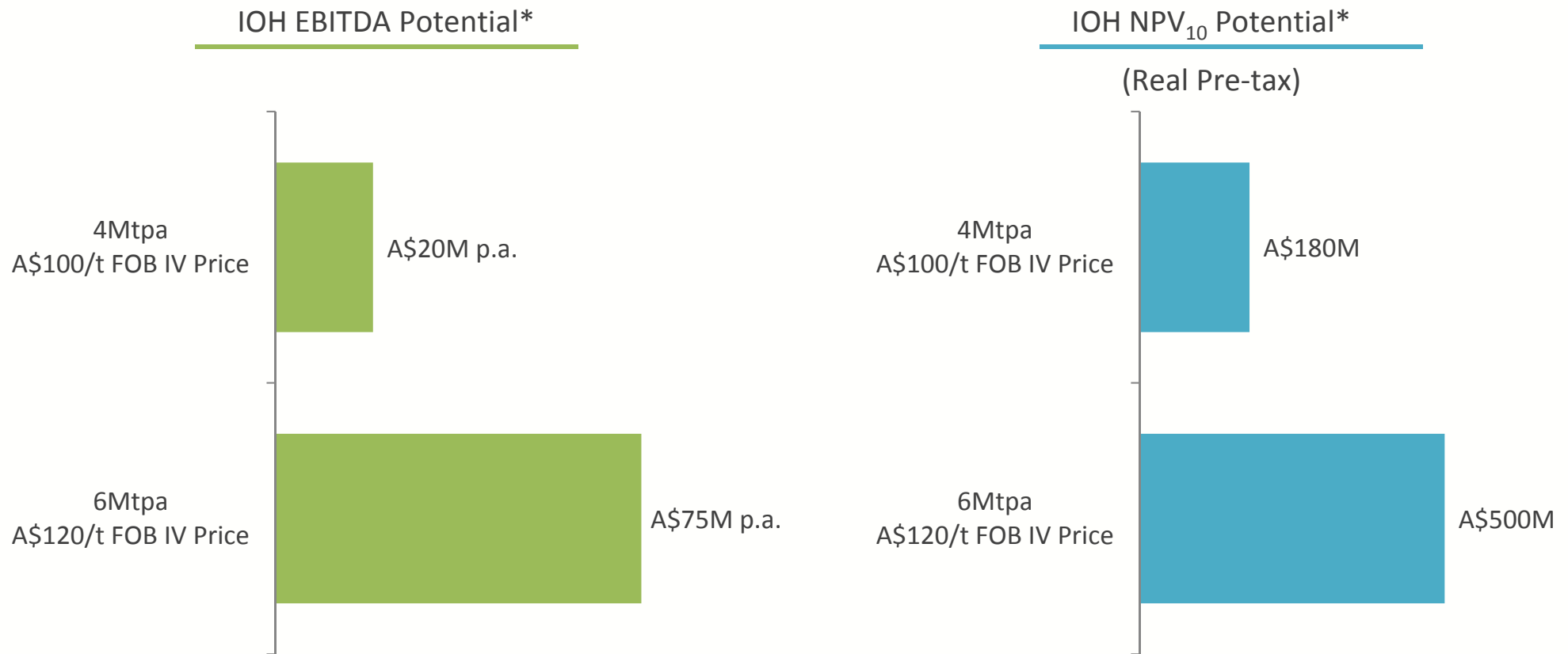




# Iron Valley Project

Significant Potential Earnings for IOH

- Mine gate price payable to IOH is linked to the FOB market price
- Higher FOB market price will result in significant IOH earnings\* upside
- Low risk annual earnings\* potential from early 2014



\* Forecast earnings for the transaction are particularly sensitive to key variables such as future iron ore price, foreign exchange rates and the production tonnages achieved from the Iron Valley mine, and as such there is upside potential but also risk to the downside.

# Maitland River Project

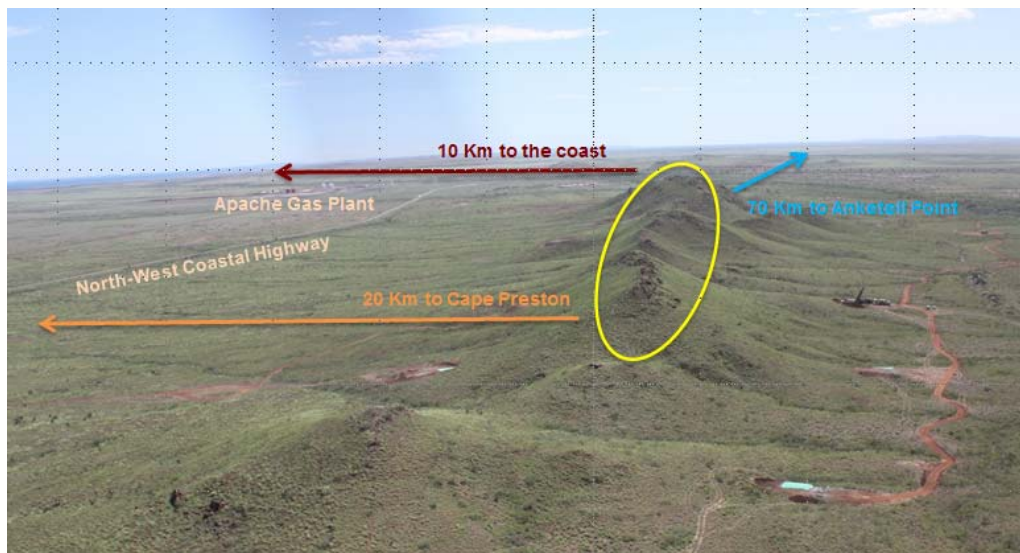
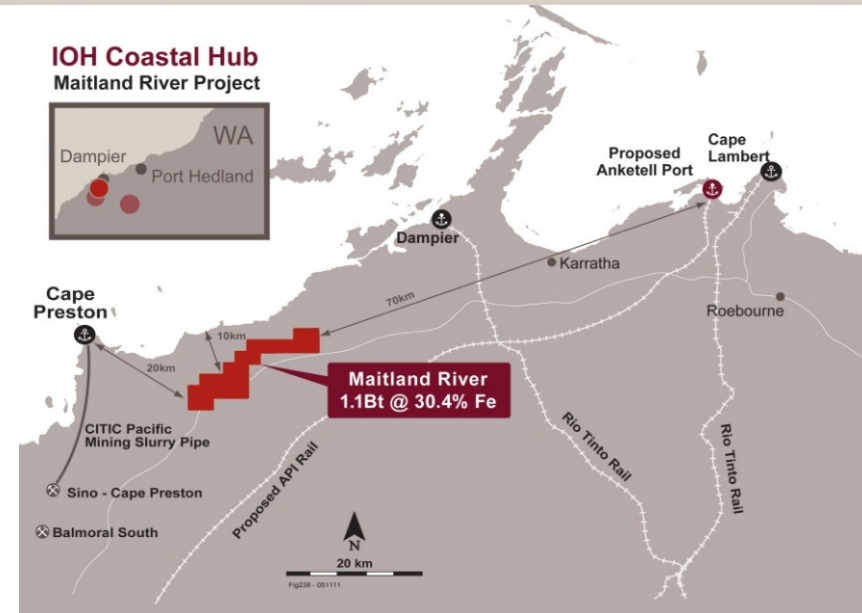




# Maitland River Project

Located 20km from planned IOH port

- JORC Inferred Resource of **1.1Bt @ 31% Fe** (Magnetite)
- >3km magnetic BIF is surface outcropping
- Concept Study completed in Q4 2012
- Potential for 10Mtpa magnetite mine with 20km slurry pipe to the planned IOH port
- Commercialisation process commenced



## Key parameters to determine development potential:

1. Resource Size (1.1Bt) ✓
2. Proximity to coast (10km) ✓
3. Proximity to process water (10km) ✓
4. Proximity to electricity (5km) ✓
5. Processing and cost (PFS required) ?



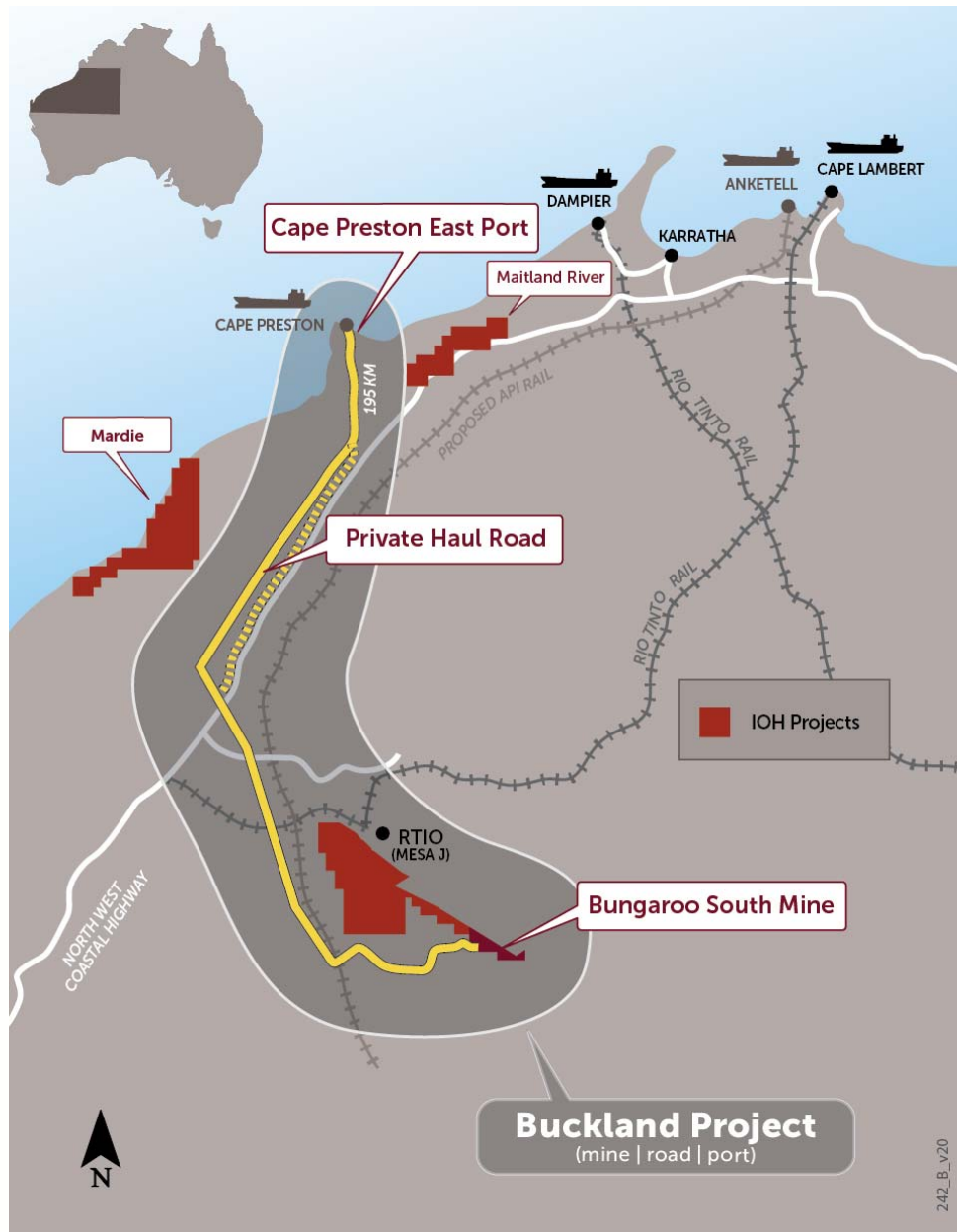
# Buckland Project





# Buckland Project

Bungaroo South Mine + Haul Roads + Cape Preston East Port



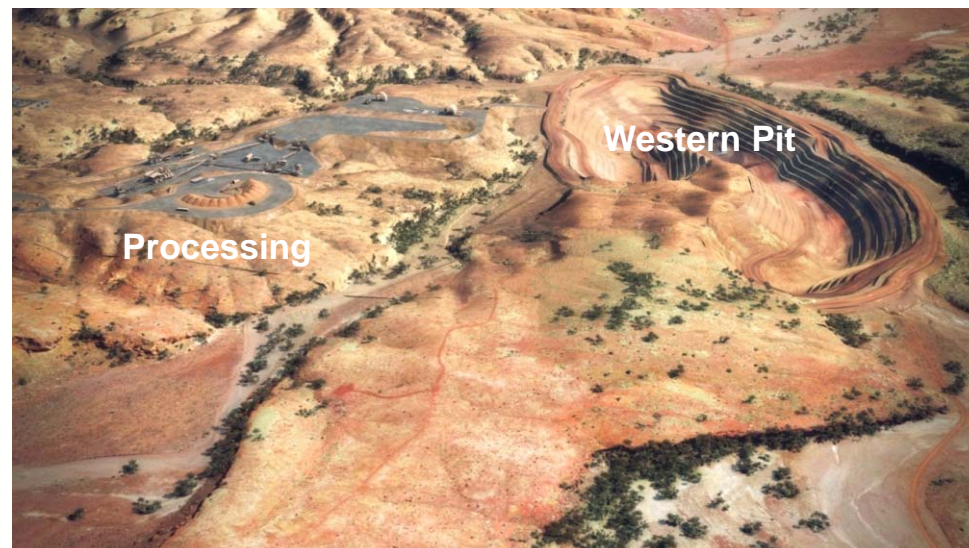
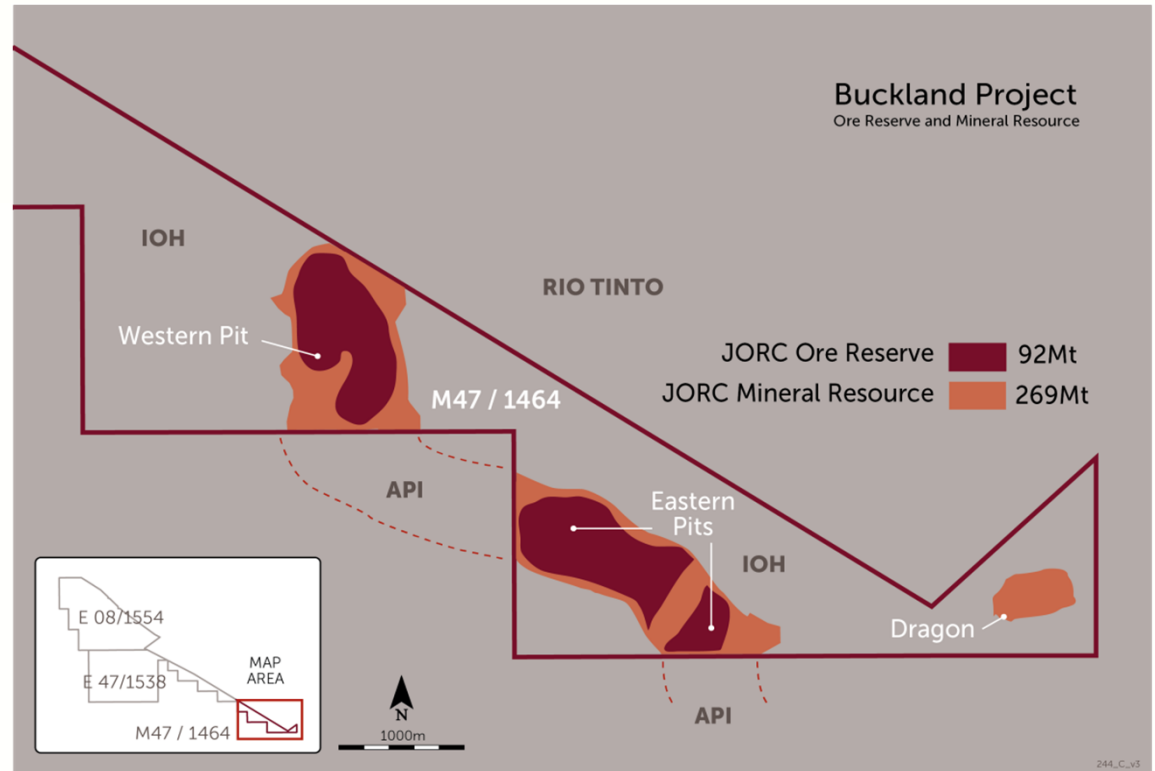
- Positive PFS completed
- DFS underway with target completion date by Sep 2013
- Commenced discussion with potential project partners
- Funding discussions underway
- Investment decision targeted by end of 2013
- First ore on ship possible in Q1 2015
- Low risk and low capital cost solution
- IOH controls mine, road and port facilities



# Bungaroo South Mine

*Pisolitic Channel Iron Deposit with minor Bedded Iron Deposits*

- JORC Mineral Resource of **269Mt<sup>1</sup> @ 57.2% Fe**
- Initial JORC Ore Reserve of **92Mt<sup>2</sup> @ 57.6% Fe**
- Additional reserves targeted in Q2 CY13 infill drilling campaign
- 0.8:1 Waste to Ore Strip Ratio
- Conventional truck and shovel operation planned



1. Indicated 179.7Mt; Inferred 68.6Mt.  
2. Probable 92.4Mt.

# Bungaroo South Mine

## Processing



- Direct Shipping Ore (DSO) operation utilising conventional crushing and screening
- Dry processing Years 1-3  
Wet processing from Year 3 onwards
- Product: Fines (~9.5mm)

### Projected Product Specifications

	Fe %	Calcined Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	LOI %
Dry Processing	57.8	62.1	6.0	3.03	0.14	7.58
Wet Processing	58.1	63.1	5.7	2.22	0.14	8.21



# Year 1-3: Road Transportation

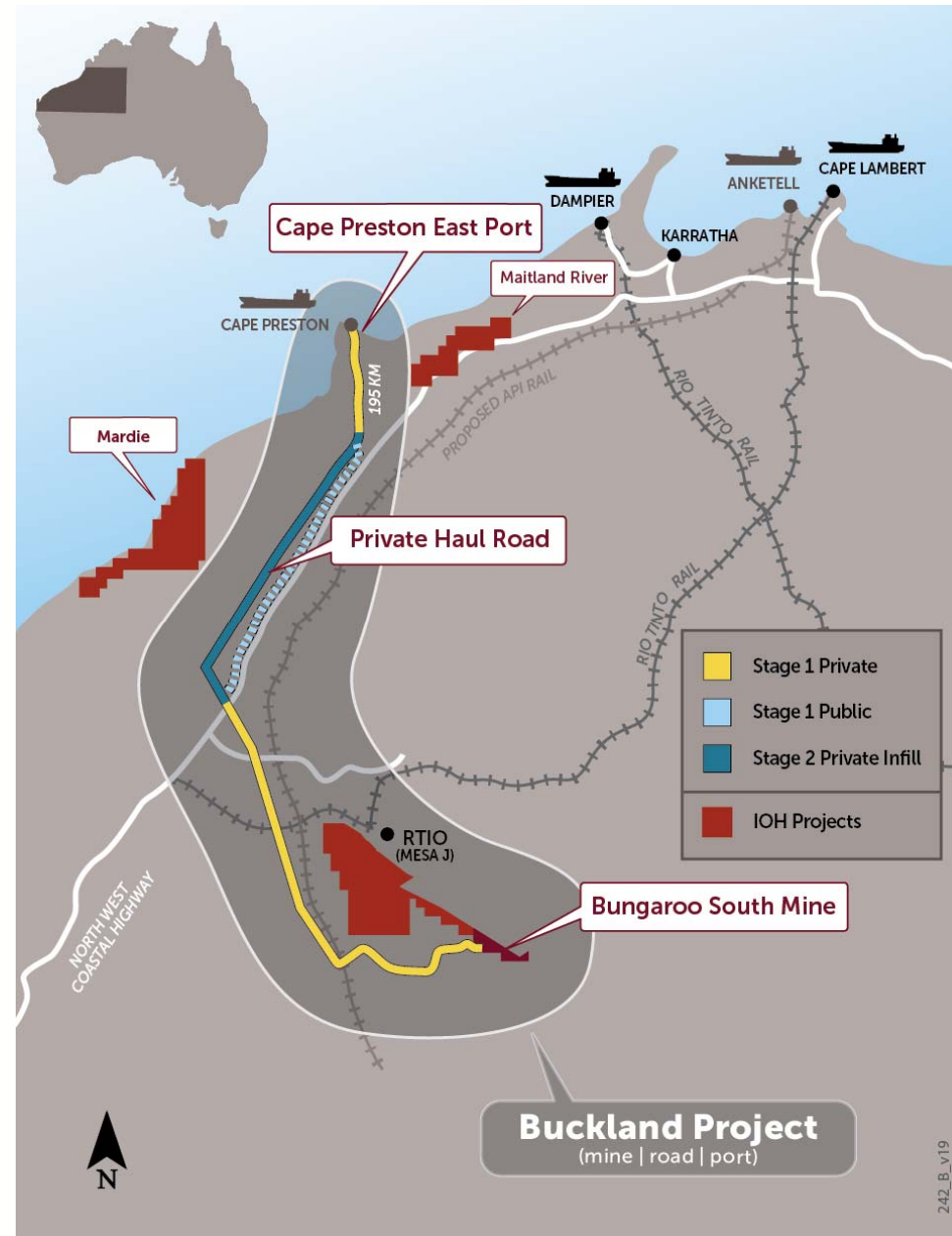
Road construction to match production ramp up

- 4 Mtpa

- 193km haul route
- private and public roads
- 115 tonne quad road trains
- ~ 30 truck fleet
- ~ 6 hour cycle time per truck

- 8 Mtpa

- 195km haul route
- private roads
- 200 tonne triple road trains
- ~ 40 truck fleet
- ~ 7 hour cycle time per truck



# Year 1-3: Port - Onshore Operations

Low capital cost transshipment facility at Cape Preston East Port

## Stage 1 (4 Mtpa)



4-8 Mtpa Stockyard Design

- A scalable, new port with permitting well progressed.
- Landside operations similar to the operating KMG facility in Wyndham, WA.
- Offshore operations similar to the Arrium operations at Whyalla in South Australia.
- Memorandum of Understanding in place with the Dampier Port Authority
- Port lease being negotiated



# Year 3+: Port - Onshore Operations

*Low capital cost transshipment facility at Cape Preston East Port*

## Stage 2 (8 Mtpa)



Digital Artist's Impression

20 Mtpa Stockyard Design

- Scalable to +20 Mtpa
- Combination of radial and long travel stackers with Front End Loader reclaim
- Similar concept to the Utah Point multi user facility in Port Hedland, Western Australia.

# Transshipment Facilities

*Low capital cost barge loading facility*

## Jetty

- 1.4 km piled A-Frame type jetty construction
- 5,000 tph conveyor with provision for a second conveyor
- No dredging required for barge access which allows streamlined environmental assessment and approvals



Onslow Salt (Mitsui JV)



Digital Artist's Impression

Planned Cape Preston East Jetty

## Shiploader

- Slewing, telescoping and luffing shiploader
- Provision made for second shiploader on Jetty



# Transshipment Vessel

*Efficient self propelled and self unloading transshipment vessel*

## Transshipment Vessel Specification

- ~20k tonne capacity
- 5.5m loaded draft
- 180m by 32m ocean going vessel
- Self propelled - 7 knot speed
- Self discharging up to 10,000 tph
- Able to load a 180kt Cape Size vessel in four days
- Dynamic positioning system allows vessel to autonomously hold position against Cape Size vessel
- Operated by CSL for Arrium in Whyalla (South Australia)

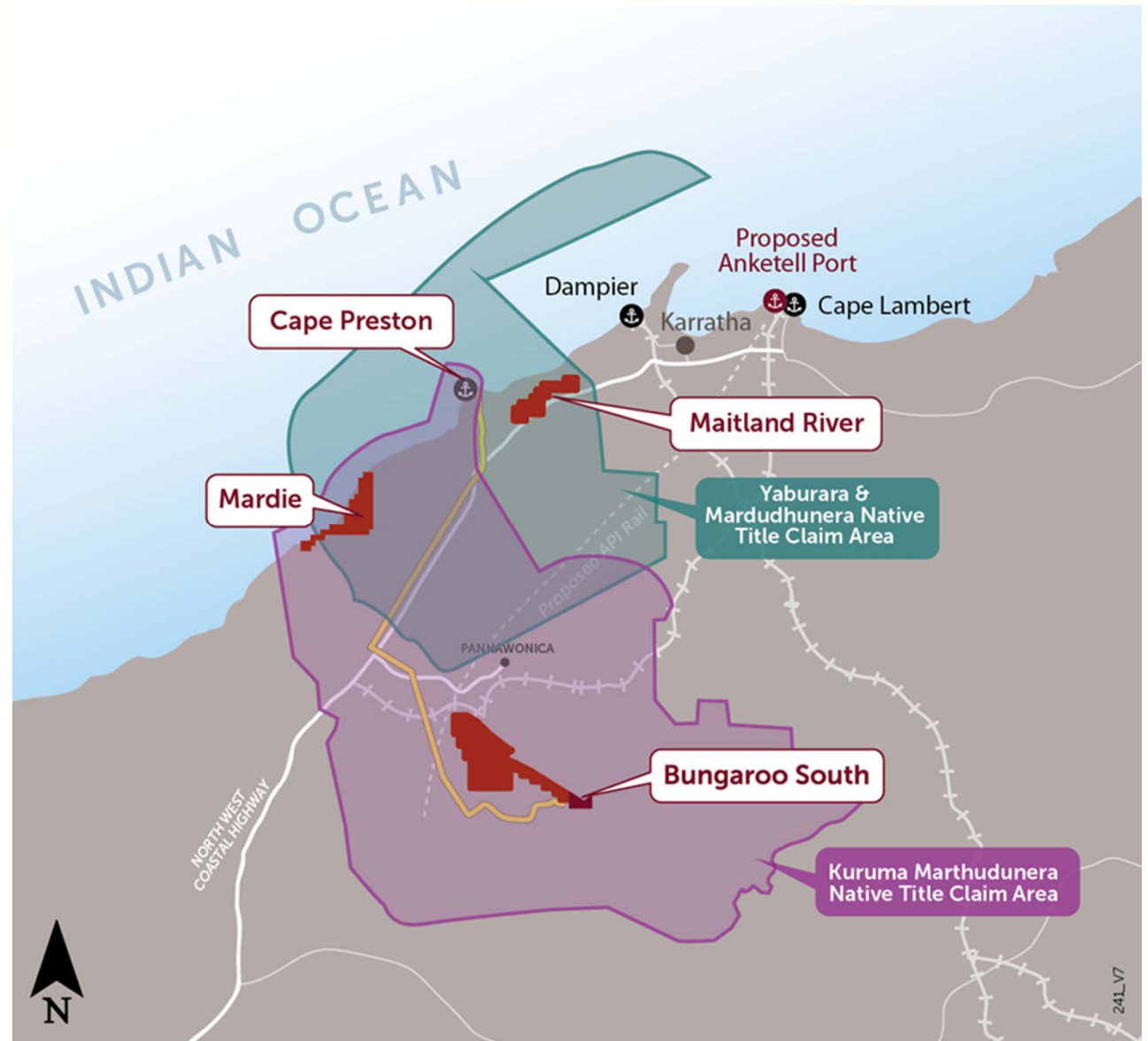


Proposed Cape Preston East Transshipping

# Approvals and Permitting

*Approvals are well advanced with no major impediments*

- Mining Lease secured
- Two Native Title Agreements signed with traditional owners to cover the entire supply chain
- Port Construction and Operating Leases being negotiated with State Government
- Remainder of Approvals scheduled for granting by September 2013:
  - Environmental
  - State Government
  - Local Government





# Indicative CAPEX and OPEX Estimates

Capital intensity of \$100/annual tonne at 8Mtpa

Projected Capital Costs <sup>1</sup>	CAPEX Estimate 4Mtpa	CAPEX Estimate 8Mtpa (expansion cost)
<b>Mine and Plant</b>	\$100 M	\$100 M
<b>Mine to Port Haul roads</b>	\$160 M	\$50 M
<b>Cape Preston East Port</b>	\$140 M	\$20 M
<b>Total Direct Capital Cost</b>	<b>\$400 M</b>	<b>\$175 M</b>
<b>Indirect Costs</b> (Contingency, EPC/M, Owners)	<b>\$175 M</b>	<b>\$60 M</b>
<b>Total Project Capital Cost</b>	<b>\$575 M</b>	<b>\$235 M</b>

Projected Operating Costs <sup>2</sup>	20 Year Average Cost (\$/t)
<b>Mining and Processing</b>	\$18.64
<b>Road Haulage</b>	\$19.15
<b>Transshipment Facility</b>	\$6.33
<b>Corporate and Administration</b>	\$4.19
<b>Total C1 Direct Operating Cash Cost (FOB)<sup>3</sup></b>	<b>\$48.31</b>

1: Excluding primary mining equipment, haulage fleet and transshipment vessel

2: Including contractor costs for primary mining equipment, haulage fleet and transshipment vessel

3: Including contingencies

# Projected Financial Parameters

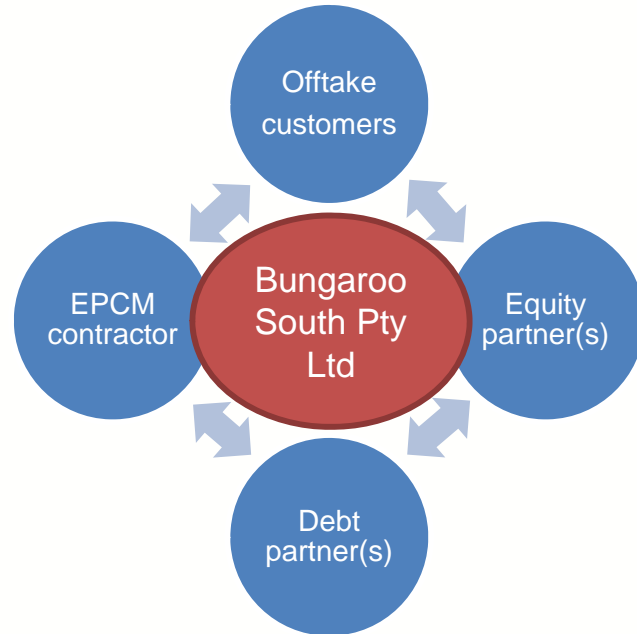
Item	Unit	IOH Base Case	Upside Case
Long term iron ore price (62%Fe) FOB	US\$/t	90	110
Long Term Exchange Rate	A\$:US\$	0.80	0.90
Total Revenue	\$m	10,800	11,700
Total EBITDA	\$m	4,000	5,700
Average Annual EBITDA	\$m	240	280
Average EBITDA Margin	%	37	41
Project NPV <sub>10</sub> (Pre-tax)	\$m	725	1,000
Project IRR (Pre-tax)	%	23	29



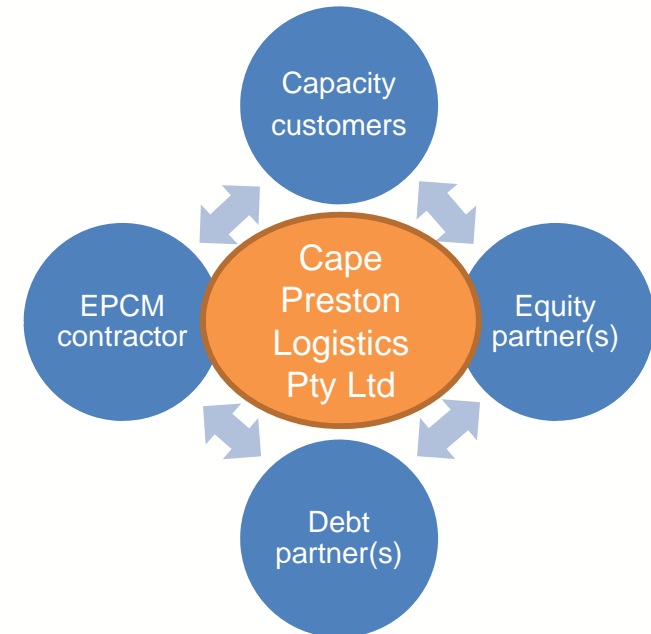
# Potential Commercial Framework

*Equity and Debt partners may be different for the Mining and Infrastructure Projects*

## Mine Commercial Structure



## Infrastructure (Roads and Port) Commercial Structure



- IOH has commenced discussions with potential project partners
- Structures being considered are Joint Ventures, Mine Gate Sales or BOOT contracts

# Low Risk Supply Chain

Low technical risk across all areas of the supply chain

**Drill and Blast**



**Truck and Shovel Mining**



**Haul via  
195km Private  
Road**



**Crush and Screen  
DSO processing**



**Transshipment  
Facility**

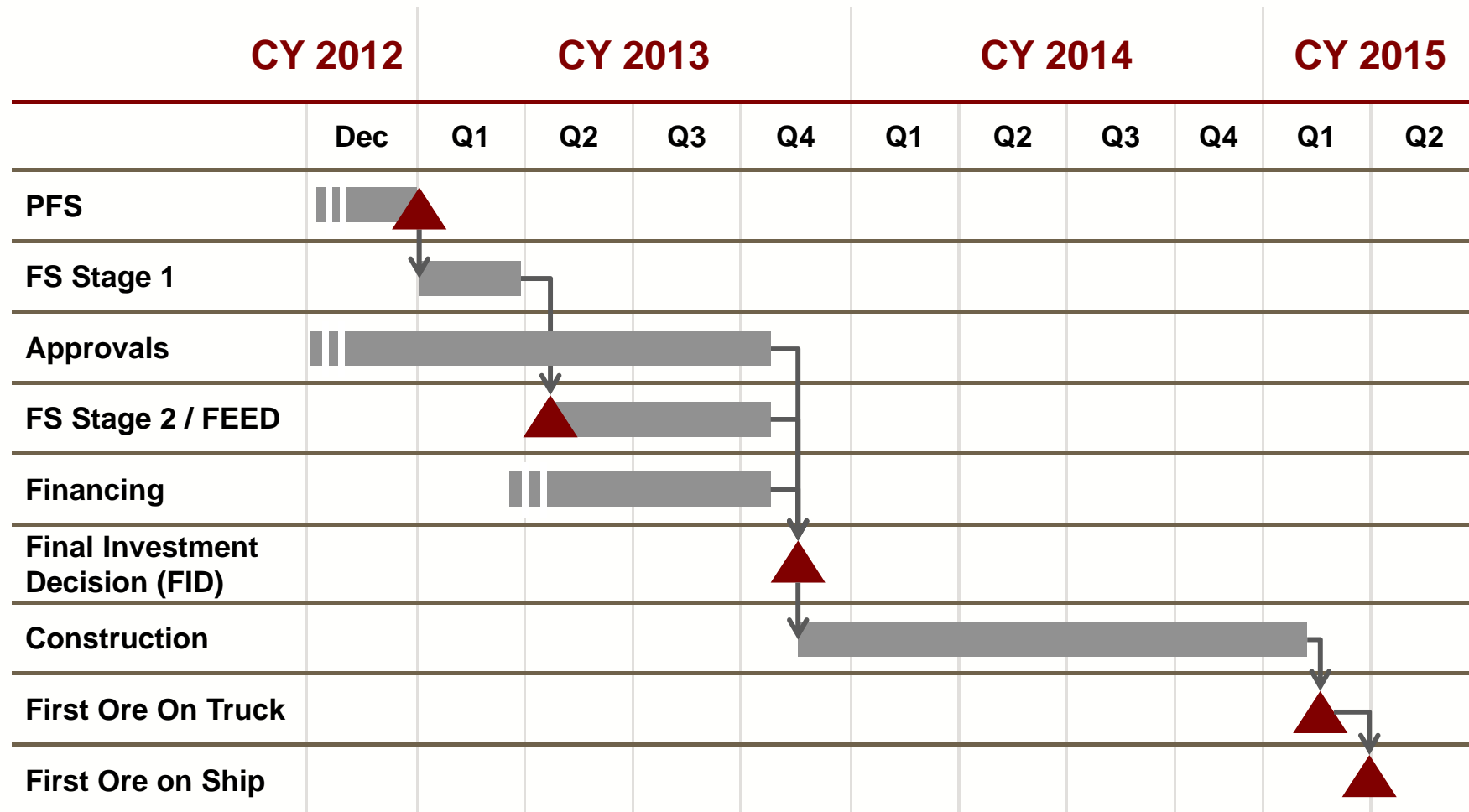


**Export via  
Panamax/Cape  
Size Vessels**



# Development Timetable – Key Milestones

*Project execution strategy allows rapid construction of the project*



# Summary

## Major Milestones and Targets

- Iron Valley Project - production target and earnings potential from early 2014
- Buckland Project - DFS completion and funding solution targeted by Q4 2013
- IOH completed four successful transactions within 18 months:
  - 1: Koodaideri South Divestment: Rio Tinto ⇒ \$32 million cash + 2% FOB Royalty
  - 2: Central Satellite Package: MIN ⇒ \$42 million cash
  - 3: Iron Valley 11-month Option: FMG ⇒ ~\$20 million net cash
  - 4: Iron Valley Mine Gate Sale: MIN ⇒ low risk earnings by early 2014
- \$90 million cash in bank and no debt
- Key focus on:
  - commercialisation of the Buckland and Maitland River Projects
  - finalisation of Iron Valley Project approvals



## **Disclaimer:**

This document or presentation may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Iron Ore Holdings' planned exploration program, commencement of exporting of iron ore, industry outlook and other statements that are not historical facts. When used in this document, the words such as "could," "target," "plan," "estimate," "intend," "may," "potential," "should," and similar expressions reflected in these forward-looking statements are reasonable, such as statements involving risks and uncertainties and no assurance can be given that actual results be consistent with these forward-looking statements.

## **Competent Persons Statement:**

The information in this report that relates to exploration, exploration targets and drilling results is based on information compiled by Mr Manohar Ghorpade, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Ghorpade is a full time employee of Iron Ore Holdings Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit 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 Ghorpade 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 estimates has been compiled by Mr Lynn Widenbar, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Widenbar is a full time employee of Widenbar and Associates and produced the Mineral Resource Estimates based on data and geological information supplied by IOH. Mr Widenbar has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'. Mr Widenbar consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

The information in this report that relates to Ore Reserve estimations for Bungaroo South Deposit is based on information compiled by Mr Alan G. Cooper, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Cooper is a full time employee of Snowden Mining Industry Consultants Pty Ltd. Mr Cooper has sufficient experience which is relevant to the style of mineralisation and type of deposit 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 Cooper consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

# IOH JORC (2004) Mineral Resources

as at 13 March 2013

**Table 1: IOH JORC (2004) Mineral Resources and Ore Reserves**

Location	Project or Tenement	Cut off (% Fe)	JORC Indicated Resources (Mt)	JORC Inferred Resources (Mt)	Fe (%)	CaFe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	LOI (%)	Total (Mt)
Central Pilbara	Iron Valley	50	216.3 <sup>A</sup>	-	58.4	63.0	5.1	3.1	0.18	7.3	274.7
		50	-	42.8	57.9	61.1	7.0	3.9	0.14	5.2	
	North Marillana	53	15.6	-	54.0	60.2	6.0	5.7	0.05	10.3	
Western Pilbara	Bungaroo South	53	179.7 <sup>B</sup>	-	58.0	63.1	5.9	2.4	0.15	8.1	284.6
		53	-	68.6	55.1	60.0	9.6	2.6	0.14	8.2	
	Dragon	50	-	16.0	55.7	60.6	7.7	3.7	0.14	8.1	
	Rabbit	52	-	6.0	56.8	60.7	7.9	3.4	0.13	6.5	
	Rooster	52	-	7.2	56.2	60.6	6.5	4.8	0.08	7.2	
	Snake	50	-	7.1	57.0	62.6	5.8	2.8	0.15	9.0	
Coastal Pilbara	Maitland River (Magnetite)	26	-	1,106.0	30.4	30.8	44.0	2.3	0.06	1.2	1,106.0
<b>Magnetite Total</b>			-	<b>1,106.0</b>							
<b>Total Mineral Resources</b>			<b>411.6</b>	<b>1,253.7</b>	<b>Total Resources (Indicated and Inferred)</b>					<b>1,665.3</b>	

<sup>A</sup> Includes Probable Ore Reserve of 134.7 Mt (see Table 2 below). <sup>B</sup> Includes Probable Ore Reserve of 92.4 Mt (see Table 2 below)

**Table 2: IOH JORC (2004) Ore Reserves**

Location	Project or Tenement	Cut-off (% Fe)	JORC Proven Reserve (Mt)	JORC Probable Reserve (Mt)	Fe (%)	CaFe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	LOI (%)	Total (Mt)
Central Pilbara	Iron Valley	53	-	134.7	58.5	63.0	4.9	3.2	0.17	7.2	134.7
Western Pilbara	Bungaroo South	West	-	31.4	57.9	62.7	5.9	2.9	0.15	7.7	92.4
		East	-	61.0	57.5	62.3	6.5	2.3	0.15	8.3	
<b>Total Ore Reserve</b>				<b>227.1</b>							<b>227.1</b>



# Thank You



Bungaroo South- East Deposit

**IRON ORE**  
HOLDINGS LTD