



OneSteel Mining – A Step Change

Greg Waters, Chief Executive Mining

Gavin Hobart, General Manager Mining Resource Optimisation & Development



onesteel



This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of OneSteel and certain plans and objectives of the management of OneSteel. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. All such forward looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies and other factors, many of which are outside the control of OneSteel, which may cause the actual results or performance of OneSteel to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward-looking statements speak only as of the date of this presentation. Factors that could cause actual results or performance to differ materially include without limitation the following: risks and uncertainties associated with the Australian and global economic environment and capital market conditions, the cyclical nature of the steel industry, the level of activity in the construction, manufacturing, mining, agricultural and automotive industries in Australia and North and South America and, to a lesser extent, the same industries in Asia and New Zealand, mining activity in the Americas, commodity price fluctuations, fluctuations in foreign currency exchange and interest rates, competition, OneSteel's relationships with, and the financial condition of, its suppliers and customers, legislative changes, regulatory changes or other changes in the laws which affect OneSteel's business, including environmental laws, a carbon tax, mining tax and operational risk. The foregoing list of important factors is not exhaustive. There can be no assurance that actual outcomes will not differ materially from these statements.

The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Paul Leever, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Leever is a full-time employee of OneSteel Manufacturing Pty Ltd. Mr Leever 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 Leever consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

Contents



	Page
▪ Overview	4
▪ External Market	6
▪ Middleback Ranges	12
▪ Southern Iron	19
▪ Port Expansion	26
▪ Exploration and Development	35
▪ Operational Update	50
▪ Summary	54
▪ Appendix	57



Overview

OneSteel Mining - overview



- Established track record in mining, and developing and ramping up mining operations via Middleback Ranges (MBR)
- Expect to maintain sales from existing mining operations at ~6mtpa for at least 10 years
- On track for doubling port capacity at Whyalla to 12mtpa
- On track for step change in iron ore sales through Southern Iron (WPG iron ore assets)
 - First sales from Southern Iron Q4 CY12
 - Expected additional sales of 2mt (total sales of 8mt) in FY13
 - Expected run rate of 5+mtpa by mid CY2013 (total sales run rate 11+mtpa)
- Southern Iron
 - Provides 'speed to market'
 - Underpins port expansion
 - Expect significant benefits through blending with MBR low grade ores
 - Substantial contribution to investment in Southern Iron and Port
 - 'Speed to market' and narrow capital scope – expansion low risk/low capital cost
- Investigating options to utilise full port capacity
- Investigating options including through exploration and blending to maintain sales of 11+mt for at least 10 years



External Market

External factors - overview



- Strong demand for iron ore expected to be underpinned by:
 - Continued strong economic growth within China
 - Developing economies outside China – high growth levels
 - Ultimate economic recovery in US and Europe

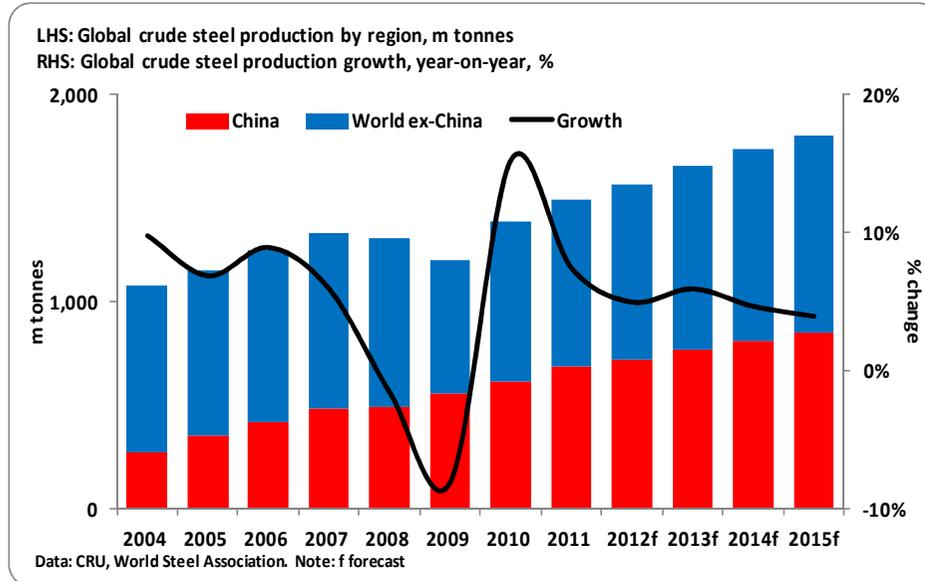
- Supply
 - Supply growth lags expectations
 - Not all capacity expansion projects will proceed
 - Most projects will have some timing delays
 - Increasing costs to new projects
 - Challenges to secure approvals, equipment and skilled labour
 - Significant proportion of volumes from China and India dependant on high prices

- Price
 - High prices compared to historical averages over medium term
 - Will dictate level of Chinese domestic supply
 - Will influence new capacity investment

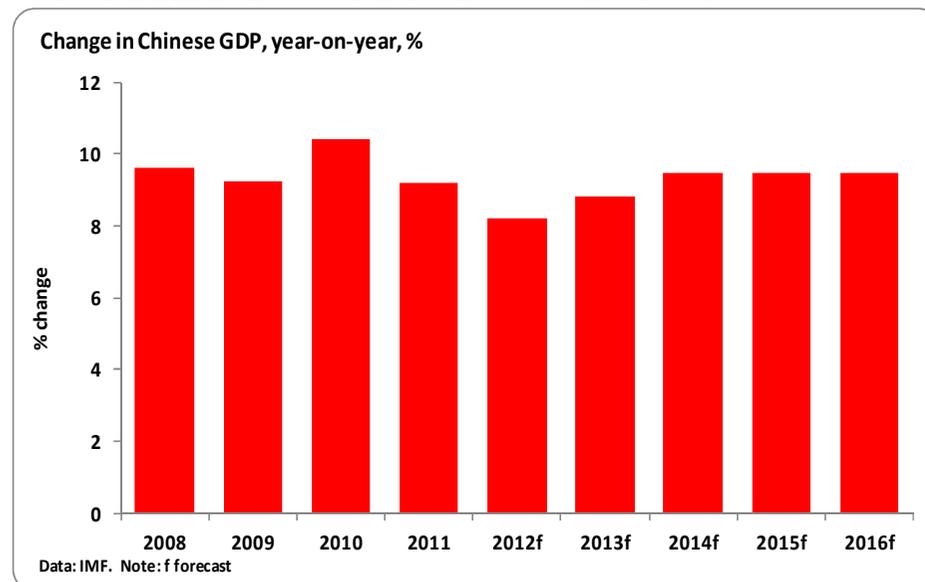


External factors – market demand

Forecast Global Steel Production



Forecast Chinese GDP Growth



China

■ Economy and steel industry

- Chinese official GDP target for past 5 years 8% but averaged 11.2%
- Fixed asset investment last year 23% against a target of 18%. (Next years target 16%)
- New GDP target 7% going forward but a “target”
- Government has done a good job in economic re-design with stronger domestic growth but enabling opportunity for increased export income as world recovers
- Building more “social housing” 4m units last year, 5m this year and 7m proposed 2013
- More sustainable steel capacity growth going forward
- Our key customers confirming their intention to increase capacity and efficiencies (old furnaces)
- Expected to retain high demand for iron ore

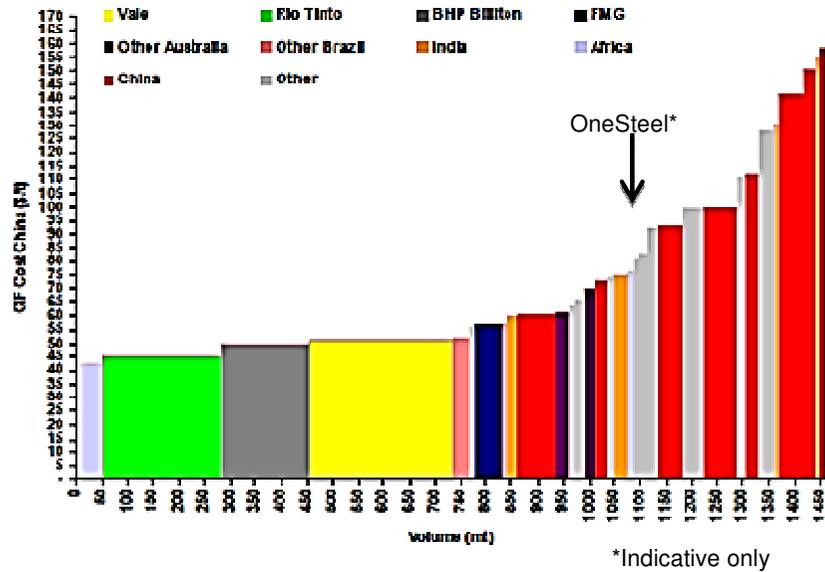
■ Non China iron ore demand

- Rest of developed world
- Europe/Americas will recover
- Japan – Tsunami rebuild

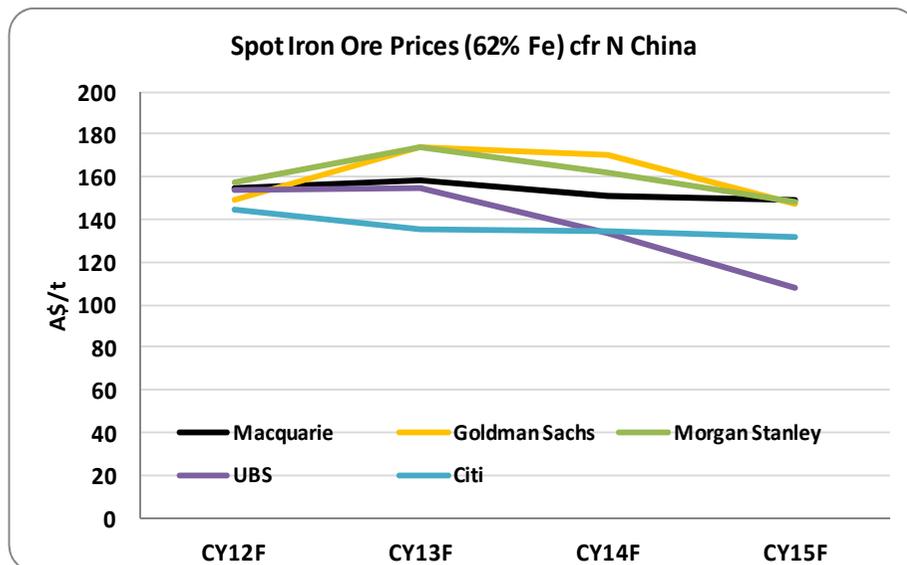


External factors – market supply/price

Supply curve to Chinese market for iron ore fines



Forecast Spot Iron Price (62% Fe Fines)



- ‘Planned’ global capacity growth expected to outstrip demand over next 5 years
- Potential oversupply assumes ‘delivered’
- Most unlikely all listed projects will proceed
- Will be ‘slippage’ in time frame as well
- Key opportunity ‘speed to market’
- Grade (Fe) continues to decline and more significantly in China
- China is increasingly reliant on seaborne ore
 - Increasing cost of China’s production
 - Grade decline more significant in China than ROW
 - Significant proportion of high cost supply only sustained in high price environment
- Increasing capital costs pose risks to some projects
- Historically, demand growth underestimated and supply growth overestimated

External factors – market strategy & pricing



- Market will continue to evolve
 - Shorter pricing regime (spot or “M”*)
 - Lower grade ores and blends to reduce costs from 2nd rate product to attractive option
 - Lump premium – applicable to HGO and higher in strong markets
- Original strategy to secure longer term agreements with customers still applied today
 - Relationship based
 - Strong Management & financial base
 - Market leaders
 - Most of our customers rate strongly in annual “most profitable”
 - Innovative
 - Growth profile

* M = average of current month

External factors – market strategy & pricing



- >80% of order book repeat customers
 - Providing more certainty on shipments
 - Finance
 - Flexibility
 - Reduces issues around quality and demurrage

- Shifted from benchmark to index system pricing in 2010
 - 90% of sales now on “M” or shorter pricing
 - Realised prices generally in line with 62/58% Fe index (adjusted for actual Fe)
 - No quality adjustments other than some silica adjustments for LGOs

- Southern Iron ores provide many market opportunities
 - Above 10mtpa supplier
 - Blended products to grade and impurities to customer requirements
 - Build on relationships with present customers



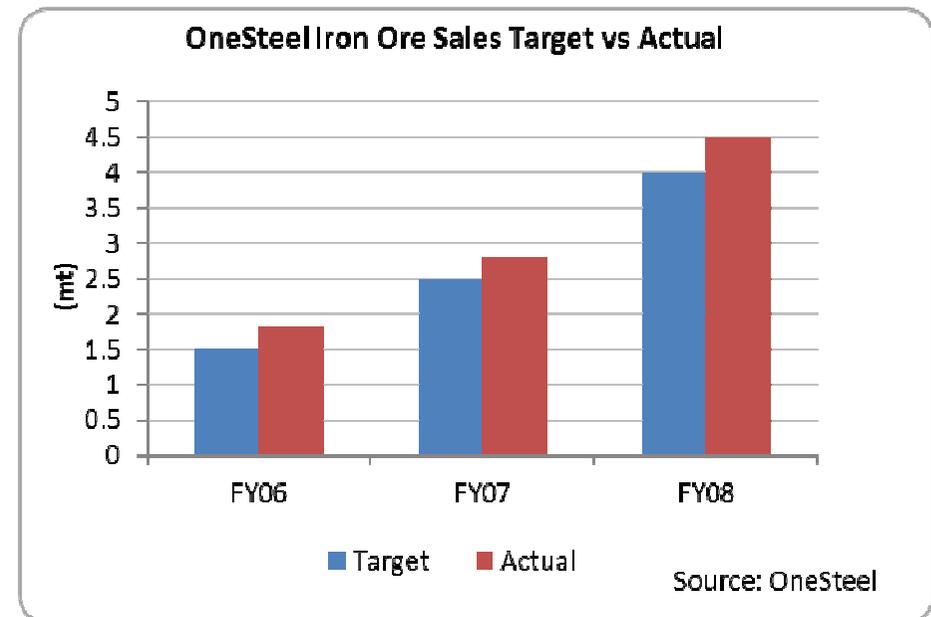
Middleback Ranges



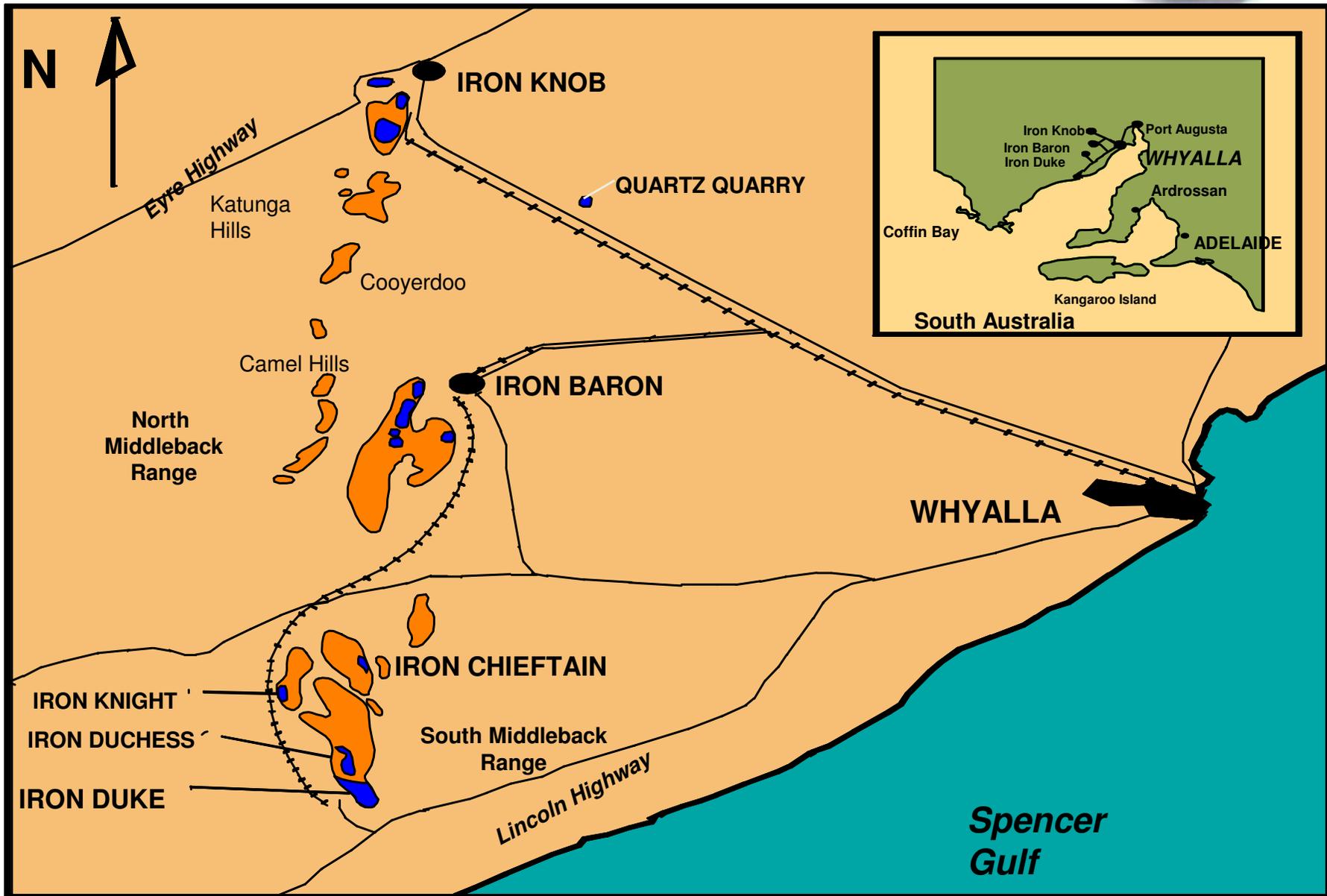
Proven performance of delivery



- Decision to convert Steelworks to magnetite pellet and release hematite ore to export – commencement of Project Magnet in 2005 (much lower pricing environment)
- Project Magnet
 - Targeted 4mtpa at completion
 - New export facility including narrow gauge rail from MBR and transhipping
 - Completed December 2007 (on time and cost 15% over plan)
- Project Magnet Phase 2
 - Increased sales quickly above original capacity
 - 5mt in FY09
 - 6+mt in FY10
 - Extended total volumes/life
 - Announced expected to maintain sales at 6mtpa for 10 years (Nov 2010)



Middleback Ranges (MBR) location plan

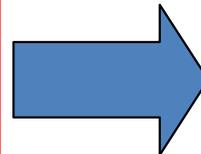


Growth in OneSteel mining operations to 2012



2007

- 4 active pits, 2 mining areas over a 10km region (Iron Duke, Iron Magnet, Iron Duchess, Iron Knight)
- Total Mine Movement 9.0 mBCM
 - 3 x 240 t excavator
 - 13 x Dump Trucks
 - 4 x Loader
 - 2 x 10 Hour Shifts 7 Days Per Week
 - SMR Workforce ~ 400
 - 1.8mt LGO (OBP Feed)
- Hematite export 4Mt
 - 1 x Fixed Plant Crusher
 - 1 x Auxiliary Crusher
 - 1 x Rail Siding
 - 1 x OBP Plant (1.0mtpa)
- Hematite strip ratio 2:1 @ 62.4% Fe
 - High Grade Simple Ore Bodies
- Magnetite – Commissioning June 2007
 - Upper Ore Benches Accessed
 - Pre Strip Phase
 - Commenced Plant Commissioning



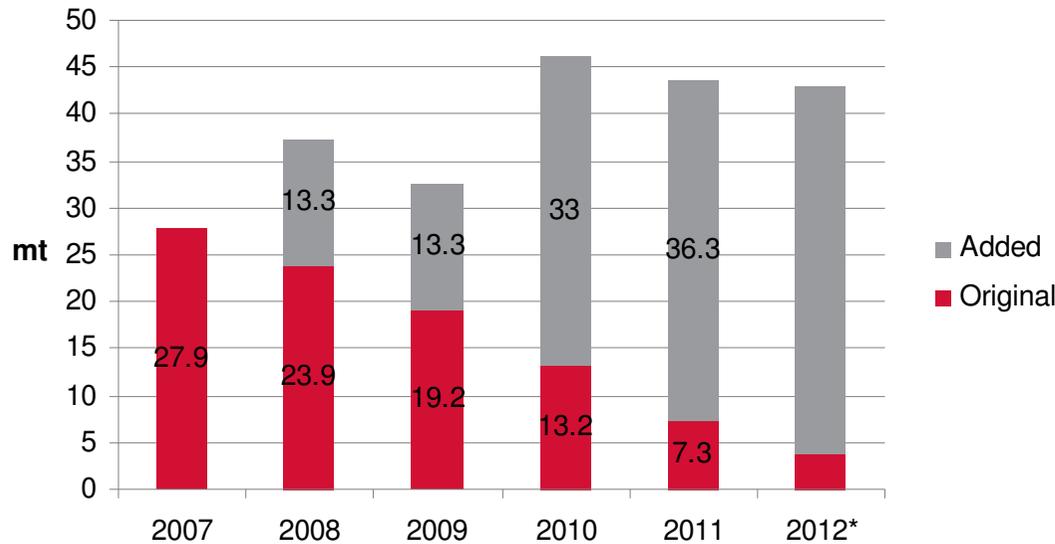
Expansion Project @ 2012

- 8 Active Pits, 5 mining areas over a 50km region (Iron Duchess, Iron Knight North & South, Iron Duke, Iron Magnet, Iron Baron, Iron Chieftain, Iron Monarch)
- Total Mine Movement >20 mBCM (Estimate)
 - 3 x 240T Excavator
 - 4 x 190 T Excavator
 - 18 x Loader
 - 40 x Dump Trucks
 - 24/7 Operation @ 5 Locations
 - Total workforce in excess of ~800
- Hematite Export > 6 Mtpa
 - 1 x Fixed Plant Crusher (SMR)
 - 4 x Mobile Crushers (2*NSMR, IBMA, IKMA)
 - 4 x Rail Sidings
 - 2 x OBP Plants (2.0mtpa)
- Hematite Strip Ratio 4:1 @ 60.3% Fe
 - High Grade Complex Ore Bodies

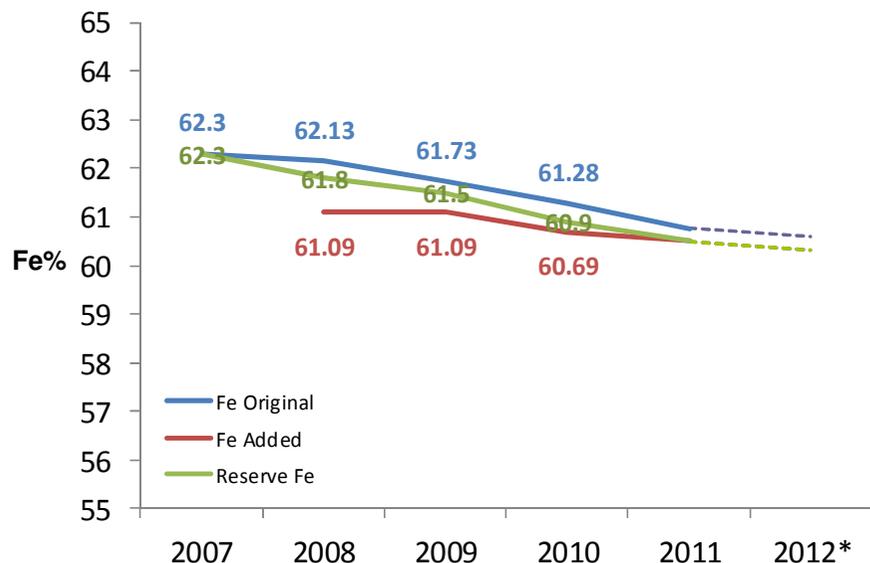
Track record of extending life beyond Magnet



OneSteel Reserves



Reserve Growth With Time - Fe%



- Original expectation under Project Magnet of (4mtpa x 10yrs)
- Depletion has been replaced
 - Hematite tonnes shipped / consumed over 6 year period expected to reach 39mt
 - Added ~36mt of reserve since 2007 to FY2011
 - Expect to add further reserves in YEJ2012 to offset depletion
 - Anticipate marginal decline in global Fe of reserves at YEJ 2012 (~0.2% decline)
- Increase supported by use of resource (low grade ores either direct shipped or beneficiated)
- Reduction in Reserve Fe% due to:
 - Addition of tonnages at lower Fe%
 - Depletion of Original reserve tonnes of higher Fe%
- Grade drop expected to be partially compensated with more beneficiation

* Estimate only for FY12 based on current data. These results may change based on refinement and finalisation of exploration, mine planning and production activities, and will be updated through the next OneSteel reserves and resources statement, compiled in accordance with JORC guidelines.

By changing our mine strategy provides the opportunity for increased volumes



Cut off Grade Analysis – Iron Chieftain

Optimisation ran at 53%, 55% and 57% Fe

Values are inclusive of Indicated and Inferred Material

Modelled

57% COG Optimisation (Brown)

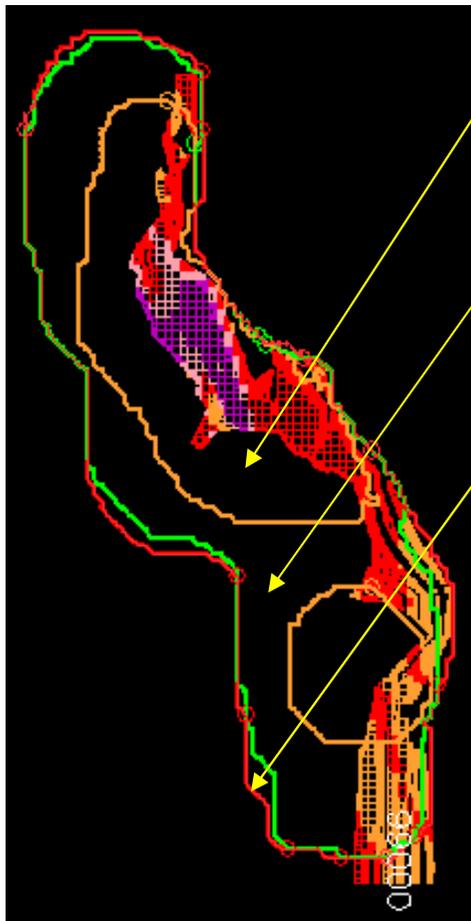
10.04mt @ 60.01% Fe, Stripping ratio 3.66:1

55% COG Optimisation (Green)

15.9mt @ 58.8% Fe, Stripping ratio 3.2:1

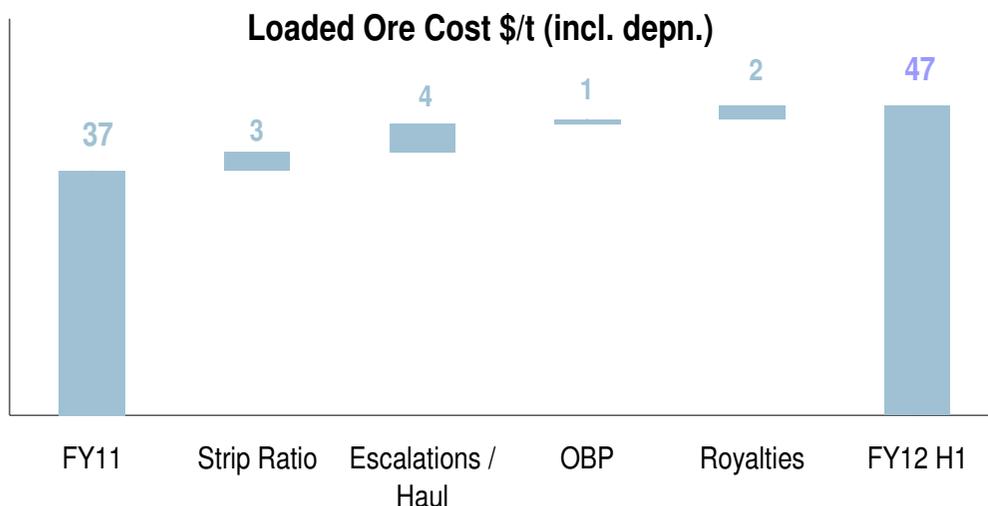
53% COG Optimisation (Red)

18.6mt @ 57.9% Fe, Stripping ratio 2.88:1



- Increased demand from China for lower grade ores provides opportunity for blended or beneficiated materials
- Optimising at lower cut off grades from original (57% COG) delivers
- 8mt+ of additional ores
- Reduction of strip ratio from 3.7 to 2.9
- (Offset by) loss of grade ~2% (Present market \$5-7/t penalty per 1%/Fe)

Costs



- Costs, early days received some benefits from brown fields as many mines “open” therefore \$25-40/t
- Now have to travel longer distances, deeper cuts and open up ore bodies
- Increased volumes from beneficiated ore, particularly in future periods
- Expect loaded ore cost to average \$50/t in FY12
- Overheads:
 - Additional consulting for supply chain optimisation PK & MBR
 - Allocation of corporate overheads for support services
- Loaded cost on ship \$147m/3.14mt = \$47 (dry basis, includes royalties and depreciation)

1H12	Iron ore	Other	Total
Revenue	417	4	421 ¹
COGS	(147)	(3)	(150)
Freight	(65)	(1)	(66)
Margin	204	1	205
O'Heads			(27)
Other & Fx			(6)
Ebit \$m			171

¹ Segment results for 1H12 are those reported in the 2012 Half Year Financial Report. They are equivalent to underlying results. For reconciliation of consolidated OneSteel results to underlying results, refer to OneSteel's 2012 Half Year Financial Results announcement released to the ASX on 21 February 2012



Southern Iron



Southern Iron – what we acquired



- Peculiar Knob project under development
 - Mine (PK) approvals in place
 - Contractual arrangements in various stages of implementation (and based on WPG volumes)
 - “In principle” agreements
 - Mining, equipment to be used and schedule
 - Haul road construction and
 - Haul road transport contracts
 - Equipment agreements
 - Crusher
 - Design of rail loading facility
 - Rail wagon contract to supply ex China
 - Wharf loader
 - Camp under construction
 - Designs port shed, tip pocket and conveyors for Port Pirie location
 - Off-take agreement (~2 x capes/year)

- Other tenements
 - Hawks Nest
 - Windy Valley
 - Mount Brady

Southern Iron – greater value through OneSteel



- Supply chain capability driving:
 - Greater confidence of getting ore to market quickly
 - Higher rate of sales
- Increased total sales – blending with MBR lower grade ores
- Lower cost – benefits from volume via de-bottlenecking
- Government and regulatory authorities relationships
- Marketing experience

Southern Iron – Peculiar Knob



- From WPG - Peculiar Knob
 - 3.3mt x 5 years
 - \$75/t cost
 - 63% Fe all in fines

- Peculiar Knob - our work to date
 - 3.6mtpa, but targeting 4mtpa with rail as current constraint
 - ~\$70/t cost – dry basis, including depreciation and royalties
 - 63% Fe all in fines

Southern Iron – step change in OneSteel sales



- Expected 3.6mtpa from Peculiar Knob plus additional sales from blending
- Blending of Peculiar Knob ore – indicative program
 - Lower grade ores from MBR (~53% Fe) with PK (~63% Fe)
 - LGO from stockpiles and future mining at MBR
 - Target blending grade ~60% Fe (can alter for volume or price inflections)
 - Blending ratio ~2:1
 - Results in total sales from PK increasing from ~16mt over life of mine to ~24mt by inclusion of lower grade ore from MBR
 - Lifts target of additional annual sales post ramp up from <4mtpa to > 5mtpa
 - Reduces post ramp up cost of ~\$70/t to ~\$60-65/t
- Southern Iron
 - Enables speed to market through Peculiar Knob project
 - WPG had most plans/contracts/equipment well progressed
 - Total sales lift to run rate of over 11mtpa following ramp up of Peculiar Knob around mid 2013
 - Underpins port expansion at Whyalla to 12mtpa capacity

Southern Iron – Iron Ore marketing



- Product – all in fines
 - High Fe quality ~63%
 - Silica in ranges of 6-9%
 - Very low other impurities
 - Will blend well with our Middleback ores, either as top up of present contracted material or a net blend of ~60% Fe
- Some of our present repeat customers keen to receive
 - Strong interest from those with internal or regional coal availability
- Expectations
 - Likely broader customer base than China
 - 2 capes per year linked to pre-existing off-take contract

Southern Iron – status



- Project schedule
 - Mining underway
 - Haul road on schedule for Q3 CY12 completion
 - MACA crusher components mobilising to site
- Contracts executed: Giacci (road haulage)
- Contracts pending
 - MACA
 - Mining services
 - Crushing services
 - Alliance charter flight services
 - ACS camp services
 - GWA rail haulage
- Regulatory approvals: all in place
- Tracking in line with expected \$80m cost to complete planned infrastructure
 - Total project cost expected to be \$86m to reflect increase in capacity



2500 Hitachi digger in operation at Peculiar Knob



Exposing first ore in PK pit



Port Expansion



Port expansion

Much already in place, enables speed to market



Existing port assets

- OneSteel owns & operates the Whyalla Port which comprises:
 - An outer harbour capable of >6mtpa
 - Iron ore loading jetty of 2,000tph capacity, and a 10.7m berth depth
 - Iron ore storage shed connected to Middleback NG rail line
 - Dredged channels linking to open water and the inner harbour
 - Panamax transshipment point at 5.0nm distance
 - Capesize transshipment point at 7.5nm distance
 - An inner harbour servicing Steelworks
 - Channel, turning basin and vessel fleeting facilities and
 - a 700m wharf, of 10.7m draft, comprising multiple berths for bulk products and steel long products
 - Slag based for foundations (reducing piling)
 - Strong relationships
 - Community
 - Government and authorities

Port expansion



The Whyalla Port: lay-out of current facilities



Port expansion – key assets



Building assets

- The new Whyalla Port facilities will result in an ‘Iron Ore Capable’ inner harbour;
- 8.3km standard gauge line connecting the Port Augusta mainline to the inner harbour, and include train holding and provisioning lines
- 6.5km narrow gauge line connecting the Middleback line to the inner harbour
- 2 ore storage sheds, each 70m wide x 157m long, complete with a ‘direct shipping’ bypass conveyor
- New bulk products berth, as an extension of the existing wharf, complete with shiploader
- Additional capesize vessel transshipment point at 8.5nm from outer harbour
- Many learnings and improvements from previous iron ore port
- Quality contractors – ‘track record’

Port expansion – upgrading our capability



The new Whyalla Port expansion of the inner harbour will be capable of:

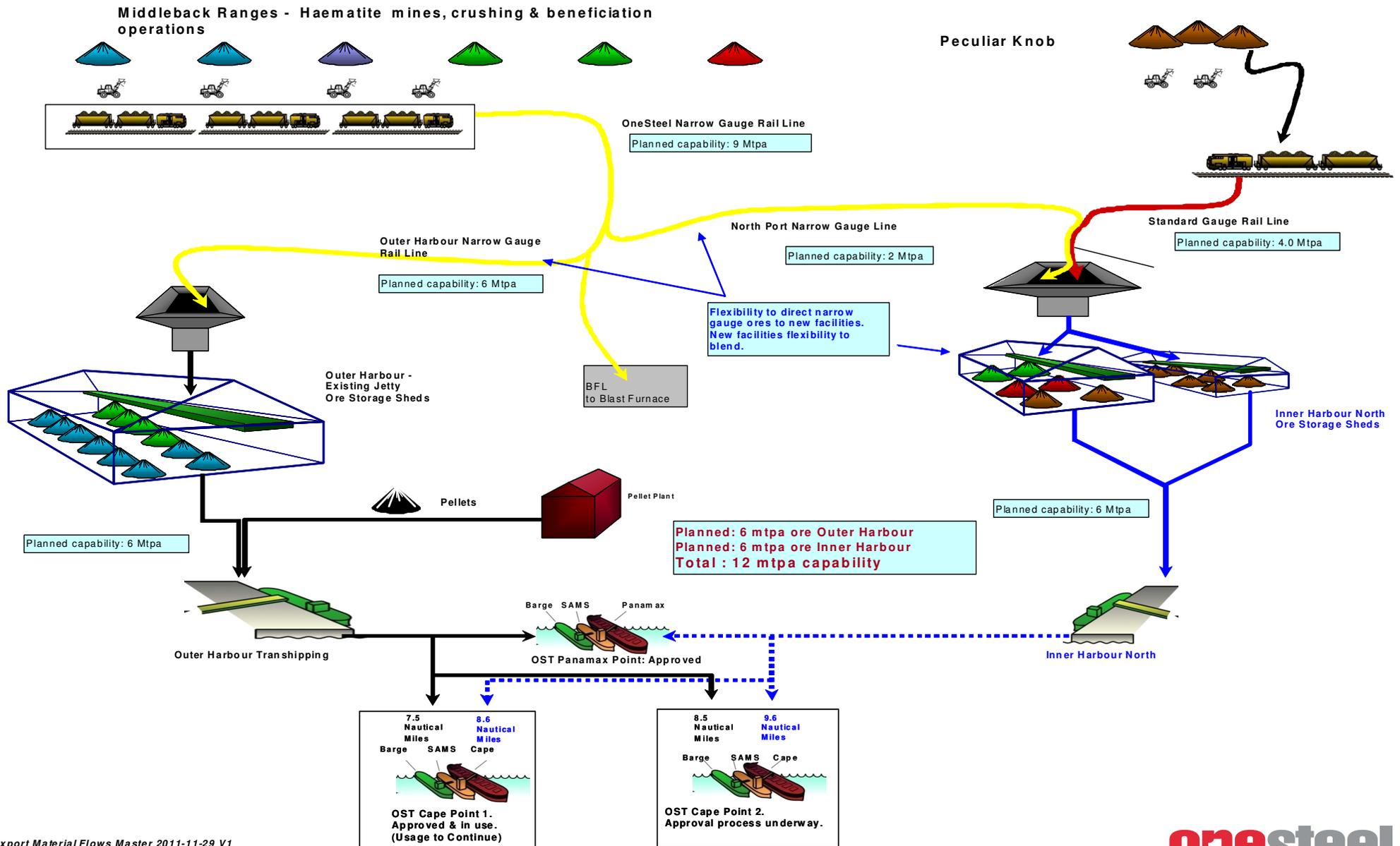
- In excess of 6.0mtpa of iron ore lump and fines (bringing the total capability, including the existing outer harbour, to >12mtpa)
- Offloading both standard and narrow gauge iron ore trains
- Receiving trains of up to 160 wagon-length or 11,500t
- Offloading trains 'on the move' at a rate of 4,200tph
- Blending ores in 3 selectable modes – in shed/reclaim/on vessel
- Storing up to 83,000m³, or 240kt, in each of two sheds
- Loading vessels of up to handi-max size at a new bulk products berth subject to a 10.7m draft limit
- Simultaneous loading of 2 capesize vessels through an additional transshipment vessel
- Combined port operation suited for our marketing strategy

Port expansion – status

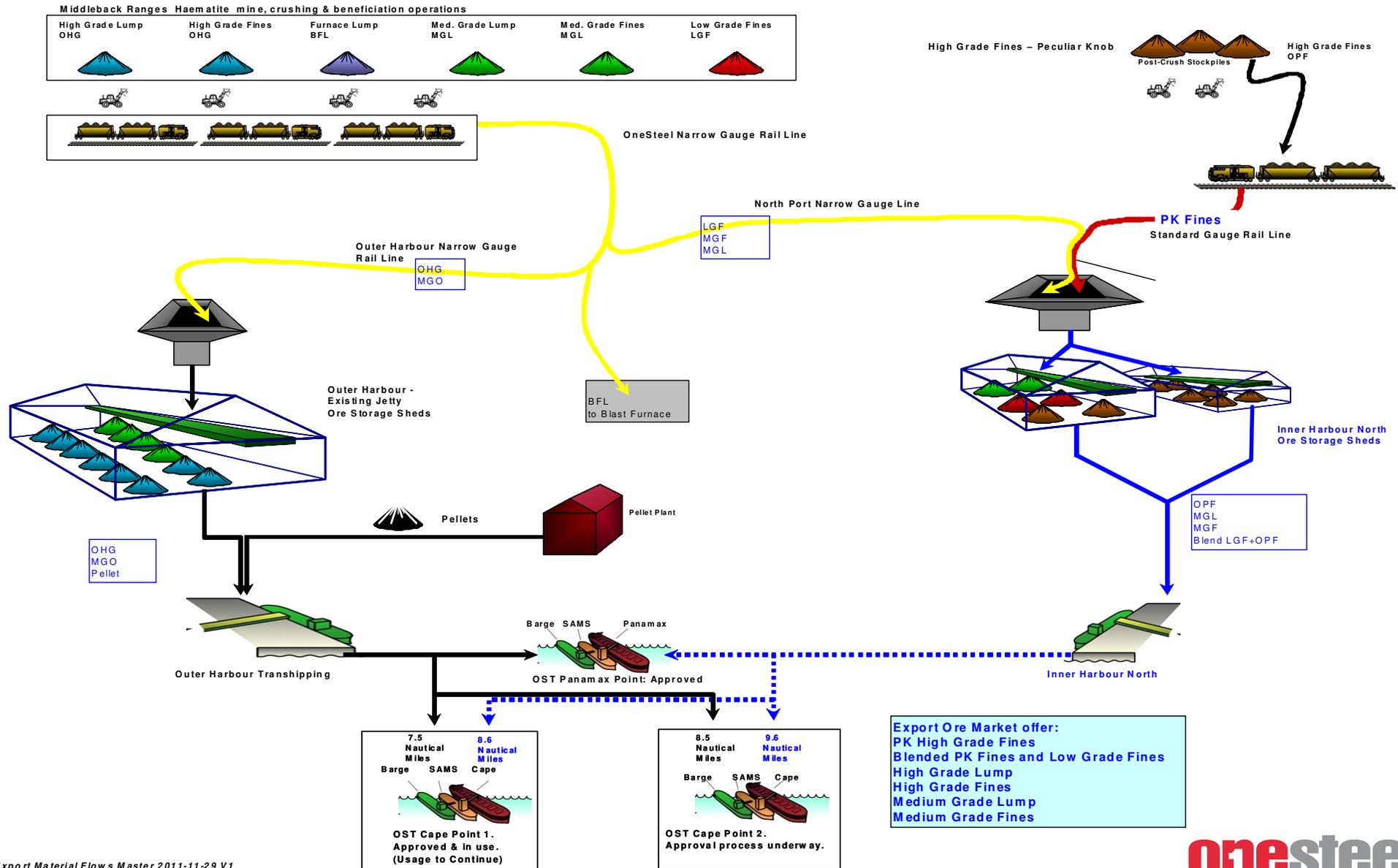


- Works have commenced on the rail networks and ore storage sheds
- Project schedule – first ores on schedule for last quarter of this calendar year
- Contracts executed – Leighton (Rail Network) Extensions, Kerman (Materials handling and WPG shiploader), CSL – Additional transshipping & Fleet agreements, ARTC
- Contracts pending – connected utilities, permanent berth & shiploader, shed operating agreement (No issues foreseen)
- Regulatory approvals – progressing well
- Confident of being within market guidance of \$200m

Export ore supply chain – logistics capability



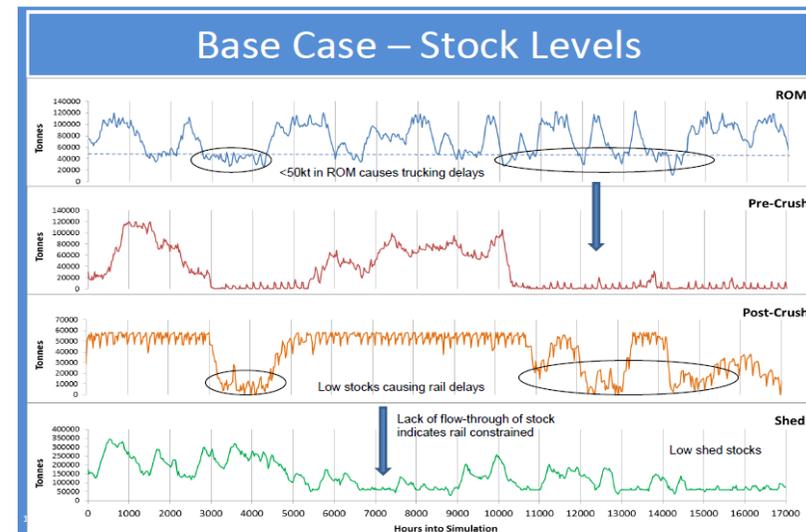
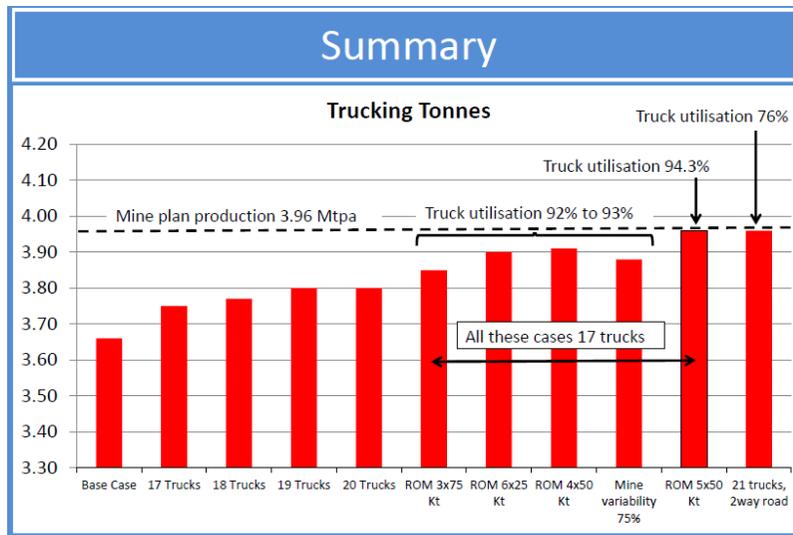
Export ore supply chain – market offer



Southern Iron – full supply chain modelling



- Dynamic modelling underway from mine to ship to identify bottlenecks
- Options to remove bottleneck constraints can be tested
- Dynamic interactions between logistics interfaces, process variability and stockpile sizes can be analysed
- Operating philosophies and rules can be developed from the modelling before operations commence
- External consultants providing modelling expertise





Exploration and Development



Exploration and development



Aims

- Maintain sales from existing MBR operations at ~6mtpa for at least 10 years
- Convert Southern Iron to 10 years of supply (from both Southern Iron and blending with MBR low grade ores)
- Lift iron ore sales to match capacity of the port – 12mtpa
- Investigate further ferrous opportunities
- Investigate non ferrous opportunities at both MBR and Southern Iron
- Capex \$15m - \$20m for FY13

OneSteel Mining



■ Peculiar Knob Region*

- 29.5mt Reserve @ 61.7%Fe
 - (PK 16.2mt Reserve @ 63%Fe)
- 569mt Magnetite resource @ 35%Fe

* WPG Reserve / Resource Statement YEJ2011

■ Middleback Range

- 43.6mt Reserve @ 60.5%Fe
- 148mt total Resource @ 58.9%Fe
- 77mt magnetite Reserve @ 40.8%Fe
- 234mt magnetite Resource @ 38.7%Fe

* OST Reserve / Resource Statement YEJ2011



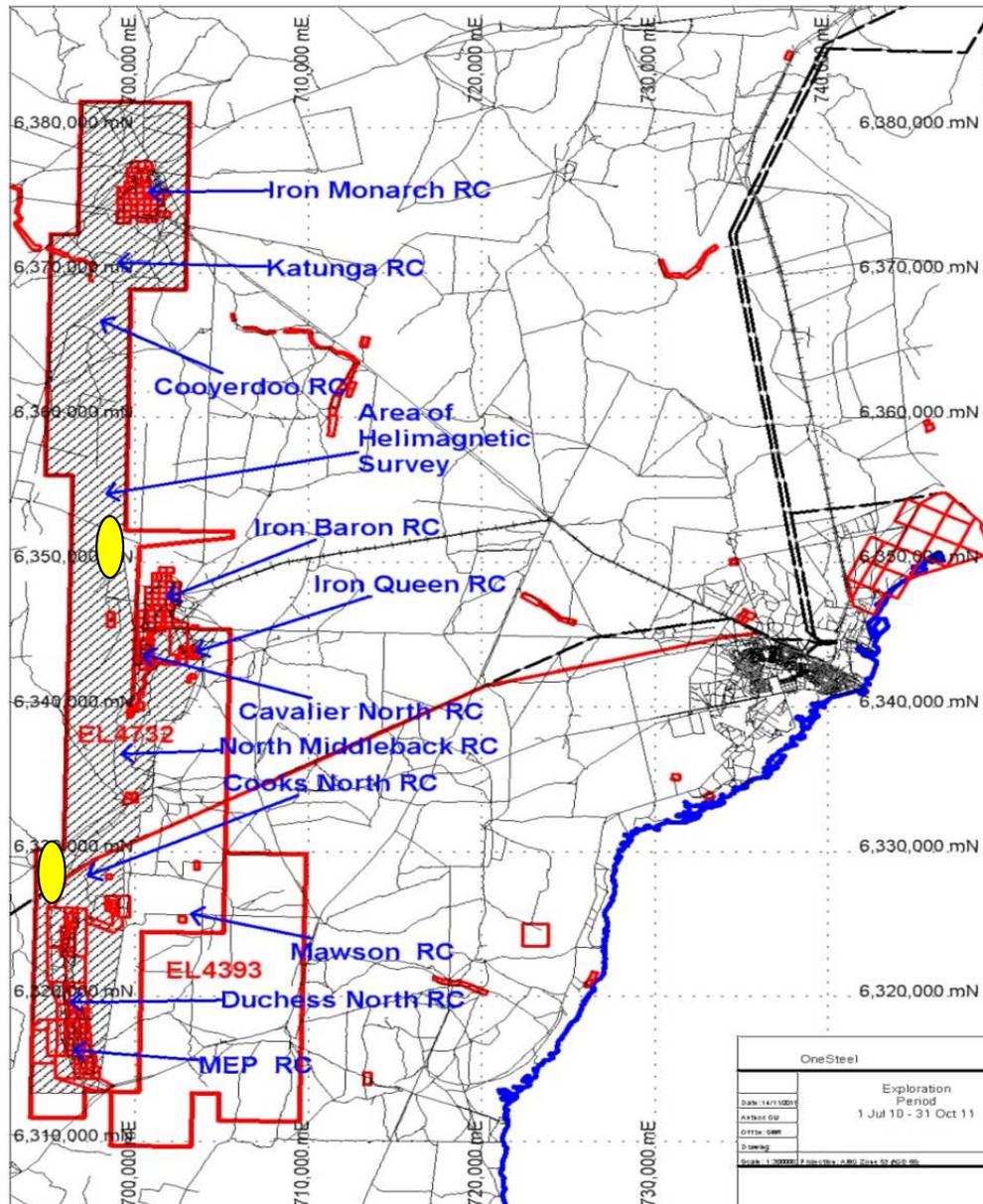
History of adding reserves

Year	Reserve	Grade	Sold / Consumed	Reserve Added
Mindec June 30, 2006	32.2Mt	62.5% Fe	2.73Mt	-
Mindec June 30, 2007	28.2Mt	62.3% Fe	5.06Mt	-
Mindec June 30, 2008	37.3Mt	61.8% Fe	5.73Mt	13.3Mt
Mindec June 30, 2009	32.5Mt	61.5% Fe	5.63Mt	-
Mindec June 30, 2010	46.2Mt	60.9% Fe	6.77Mt	18.5Mt
Mindec June 30, 2011	43.6Mt	60.5% Fe	6.73Mt	3.5Mt
Subtotal	11.4Mt	60.5% Fe	32.65Mt	35.3Mt
<i>Estimate to June 30 2012*</i>	<i>43.0Mt*</i>	<i>60.3% Fe*</i>	<i>6.7Mt*</i>	<i>4.0Mt*</i>
Estimated totals*	▲ 10.8Mt	▼ 2.2% Fe	39.35Mt	39.3Mt

* Estimate only for FY12 based on current data. These figures may change based on refinement and finalisation of exploration, mine planning and production activities, and will be updated through the next OneSteel reserves and resources statement, compiled in accordance with JORC guidelines.

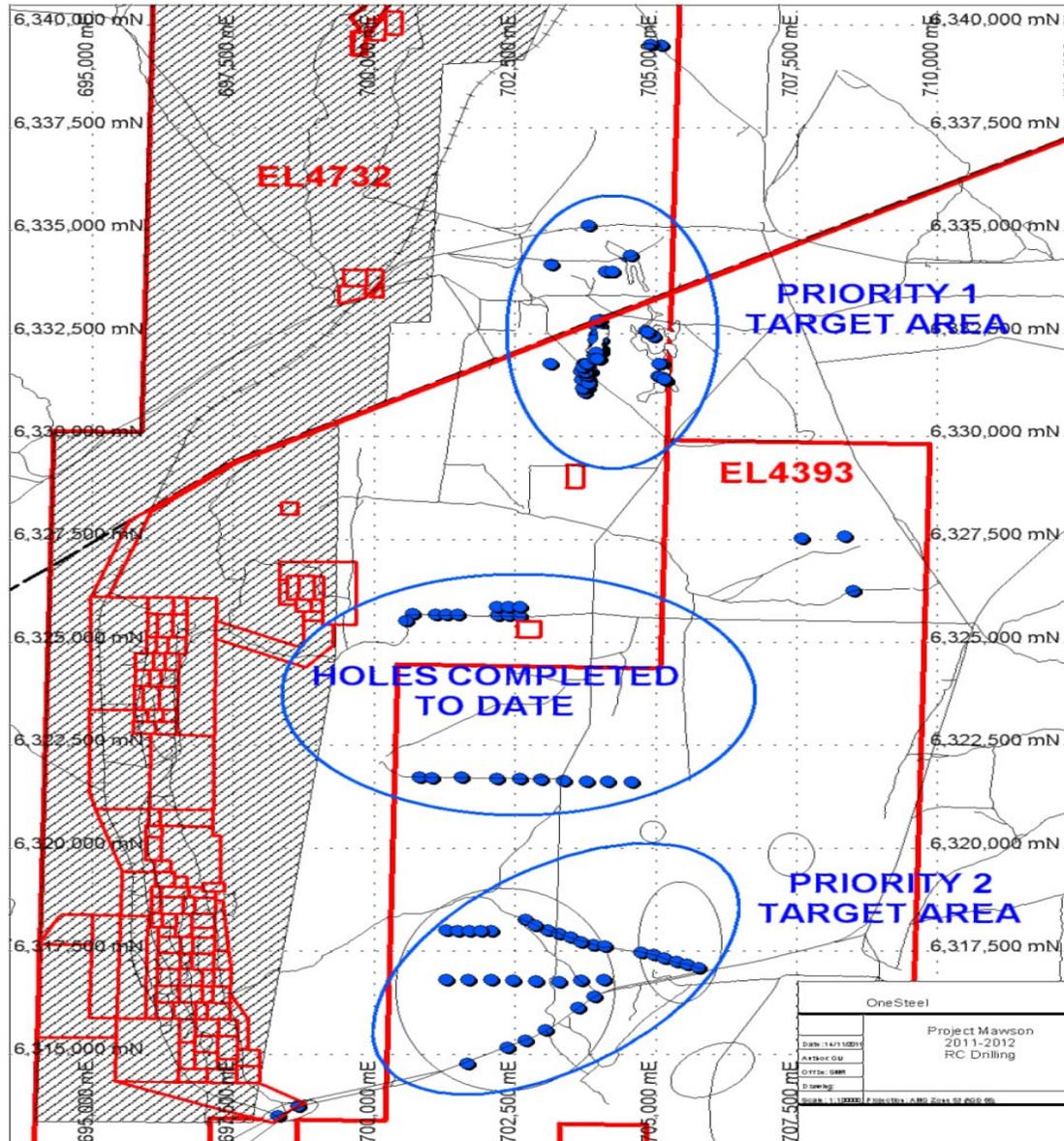
- Hematite tonnes shipped / consumed over 6 year period expected to reach 39mt
- Added ~36mt of reserve since 2007 to YEJ2011, however overall reserve has increased 11mt
- Increase supported by use of resource (low grade ores either direct shipped or beneficiated)
- No change in cut off criteria – use 55% Fe cut off
- Overall reserve grade currently expected to drop by 2.2% global Fe by YEJ2012
- Compensate grade drop with more beneficiation

Middleback hematite extension drilling



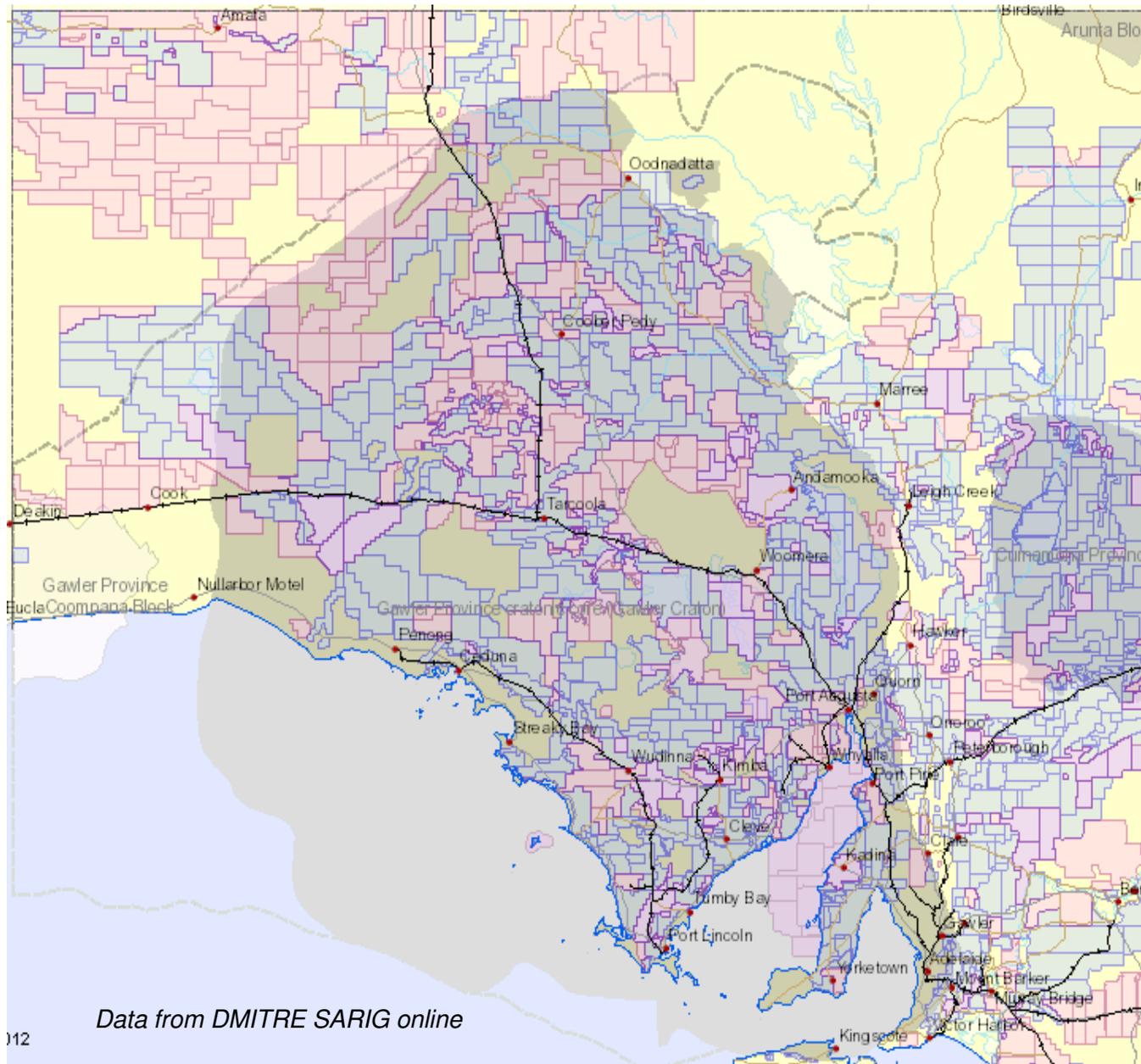
- RC planned at Knight, Cavalier and Baron-Cavalier trend (5,000+m)
- Other targets to be reviewed on receipt of helimag interpretation 3QFY12
- Proposed FY13 11,500m RC, 1,200m DD

Non ferrous exploration progress



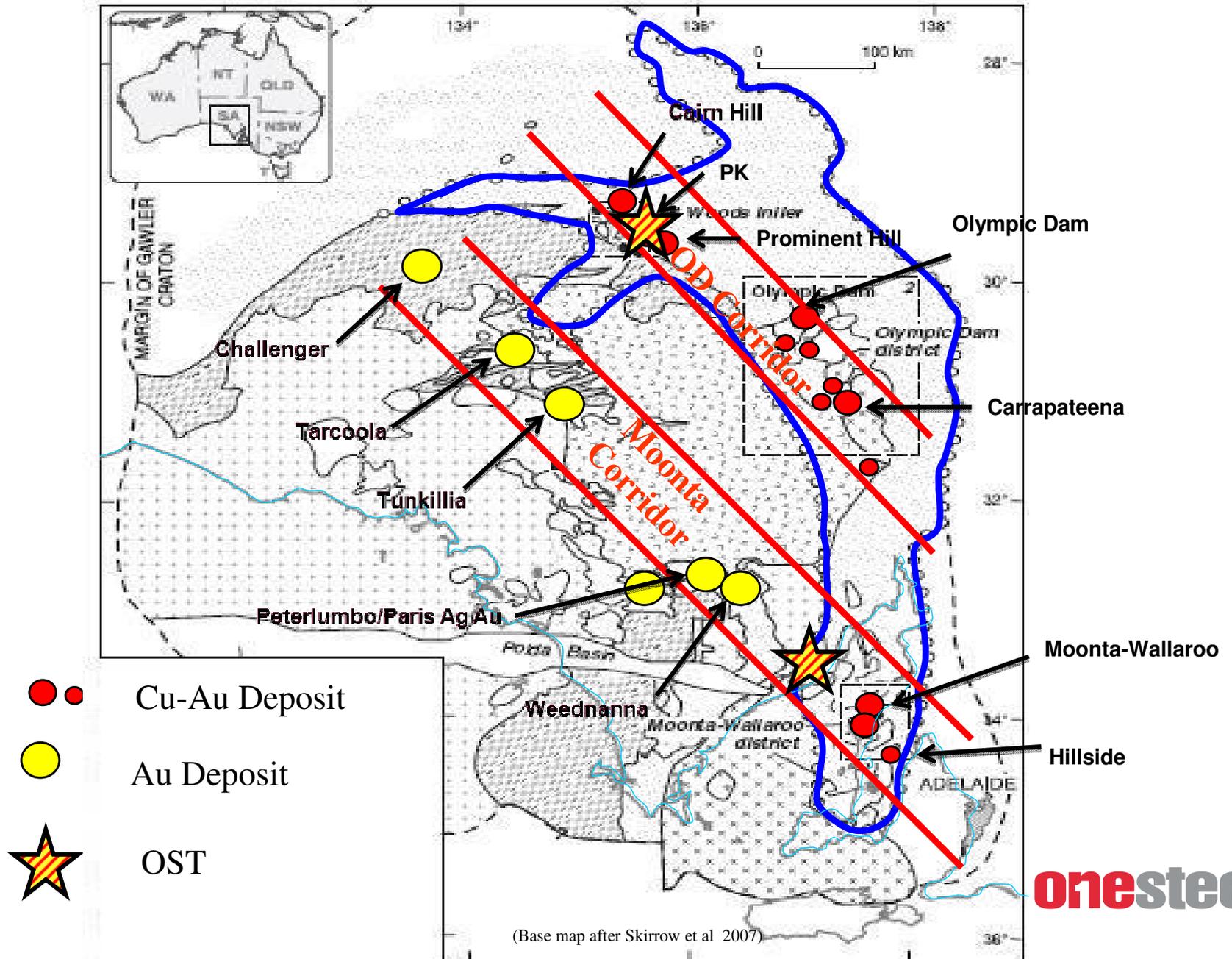
- Non ferrous drilling commenced July 2011
- Two traverses completed to date
- Priority 1 & 2 areas to be tested 4QFY12
- Proposed FY13 Drilling (5,000m RC, 500m DD) to follow up Priority Targets 1 & 2

Highly Prospective Region – Gawler Craton

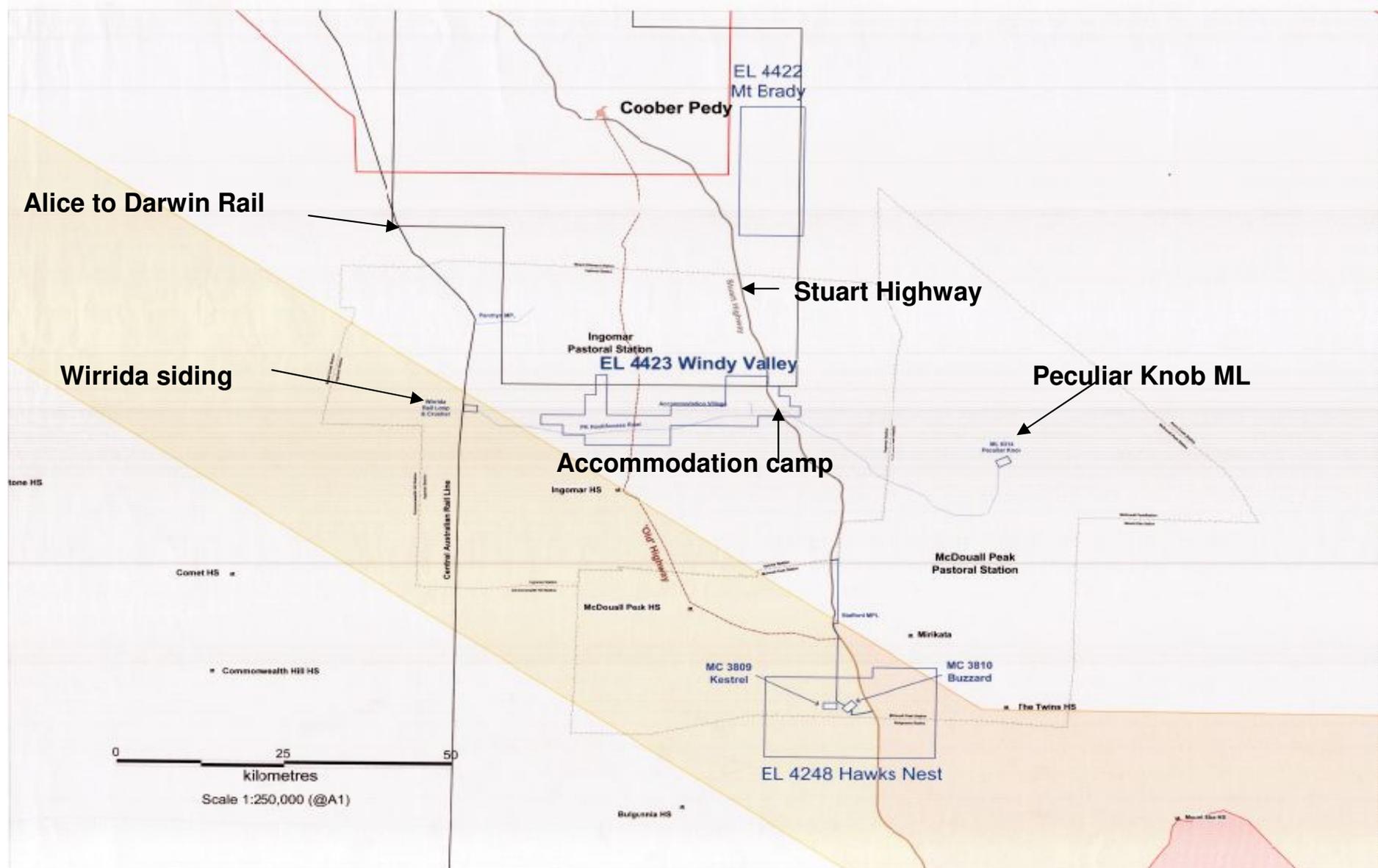


112

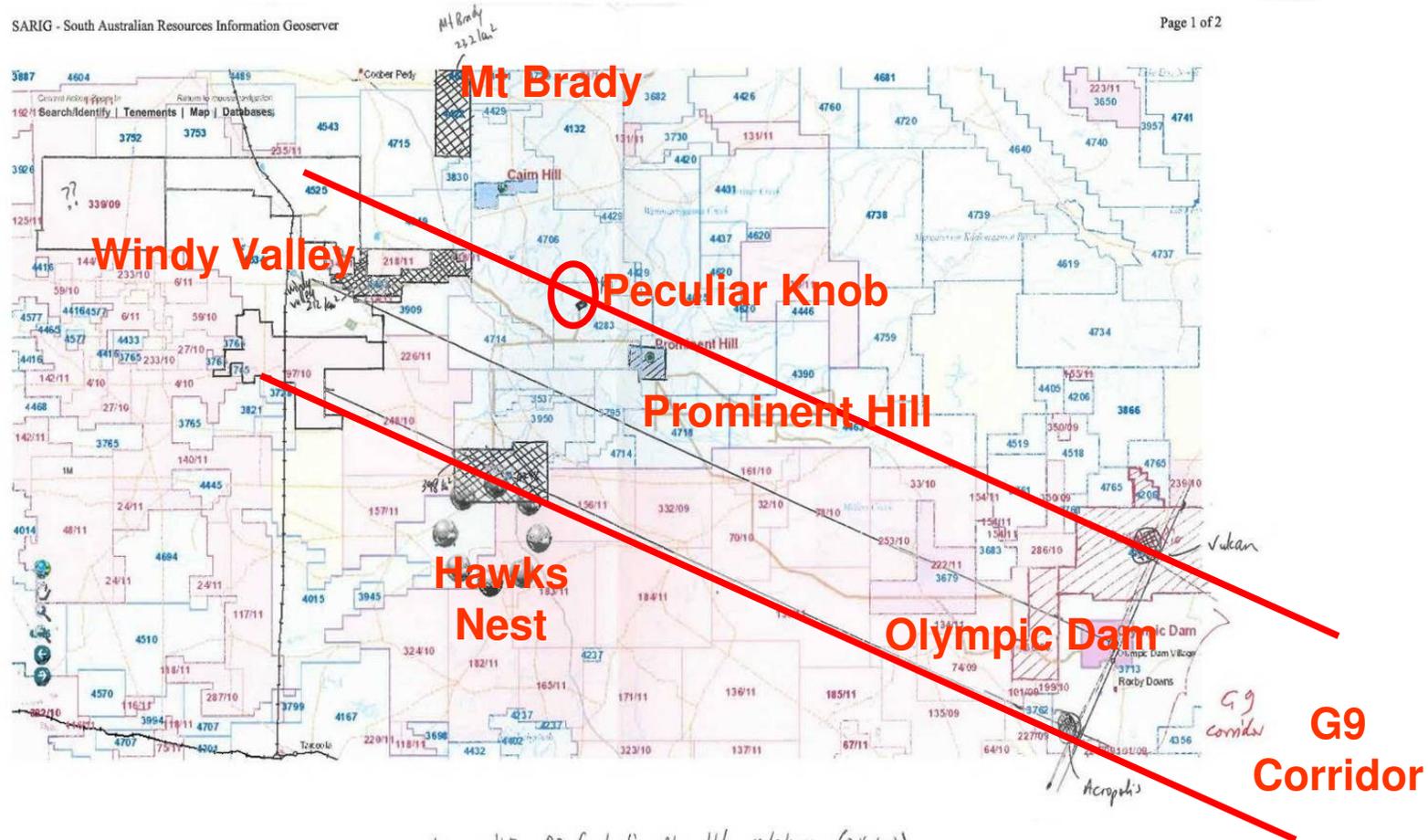
Olympic Cu-Au Province



Exploration – Peculiar Knob region



Southern Iron – exploration lease locations



218/11 appli^t Oz Exploratio Pty Ltd 13/9/2011 (13.4 km²)
 234/11 appli^t Currie Resources Pty Ltd 4/10/2011 (81 km²)

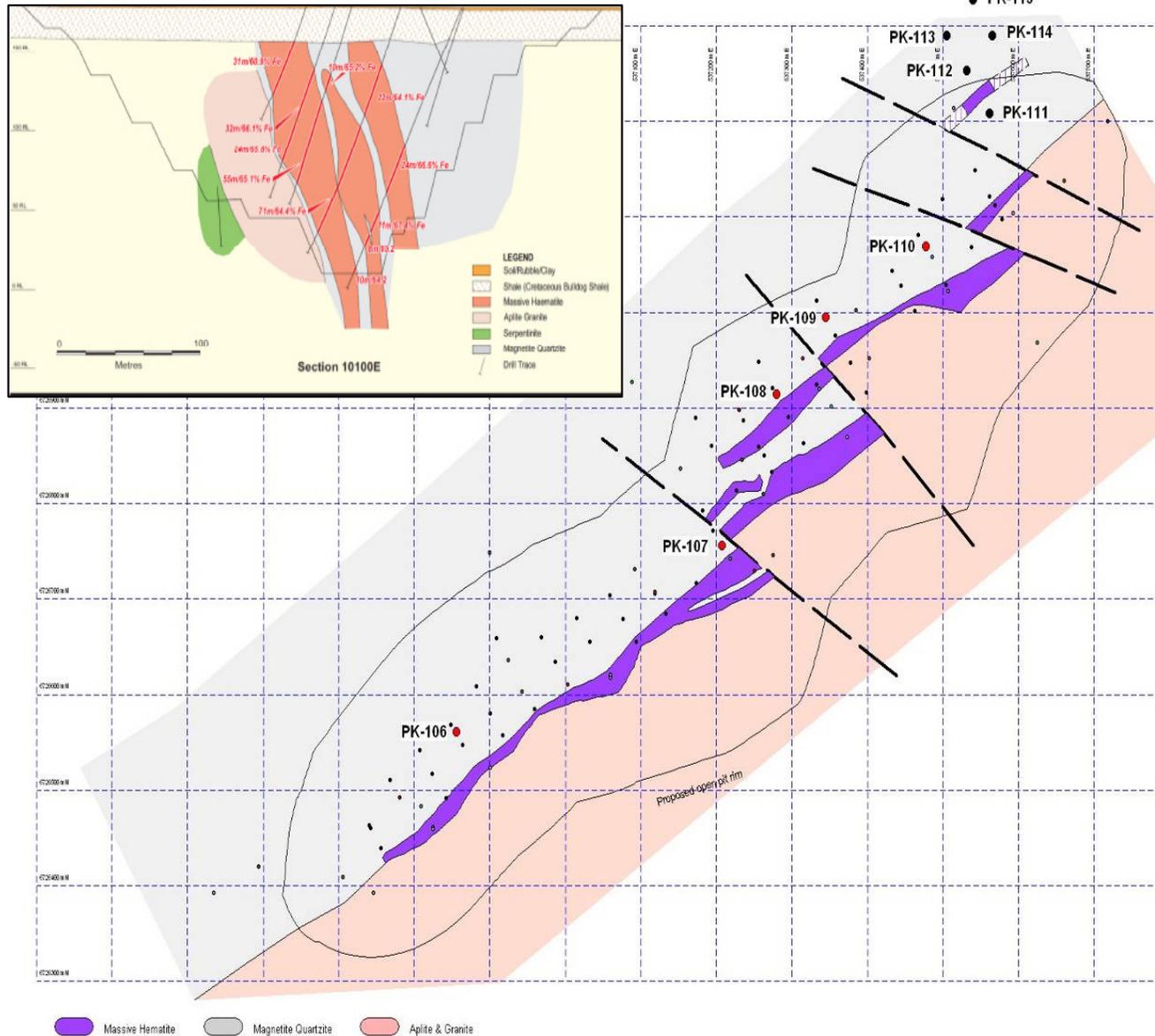
0 22 km
 13.6 mi
[Copyright](#) | [Disclaimer](#) | [Privacy](#) | [Email PIRSA](#) Last Updated: 13/09/2011

<https://sarig.pir.sa.gov.au/MapViewerJS/index.html>

13/10/2011

Tenements occur within G9 structural corridor that trends through OD and Prominent Hill, located within Olympic Copper-Gold Province

Peculiar Knob



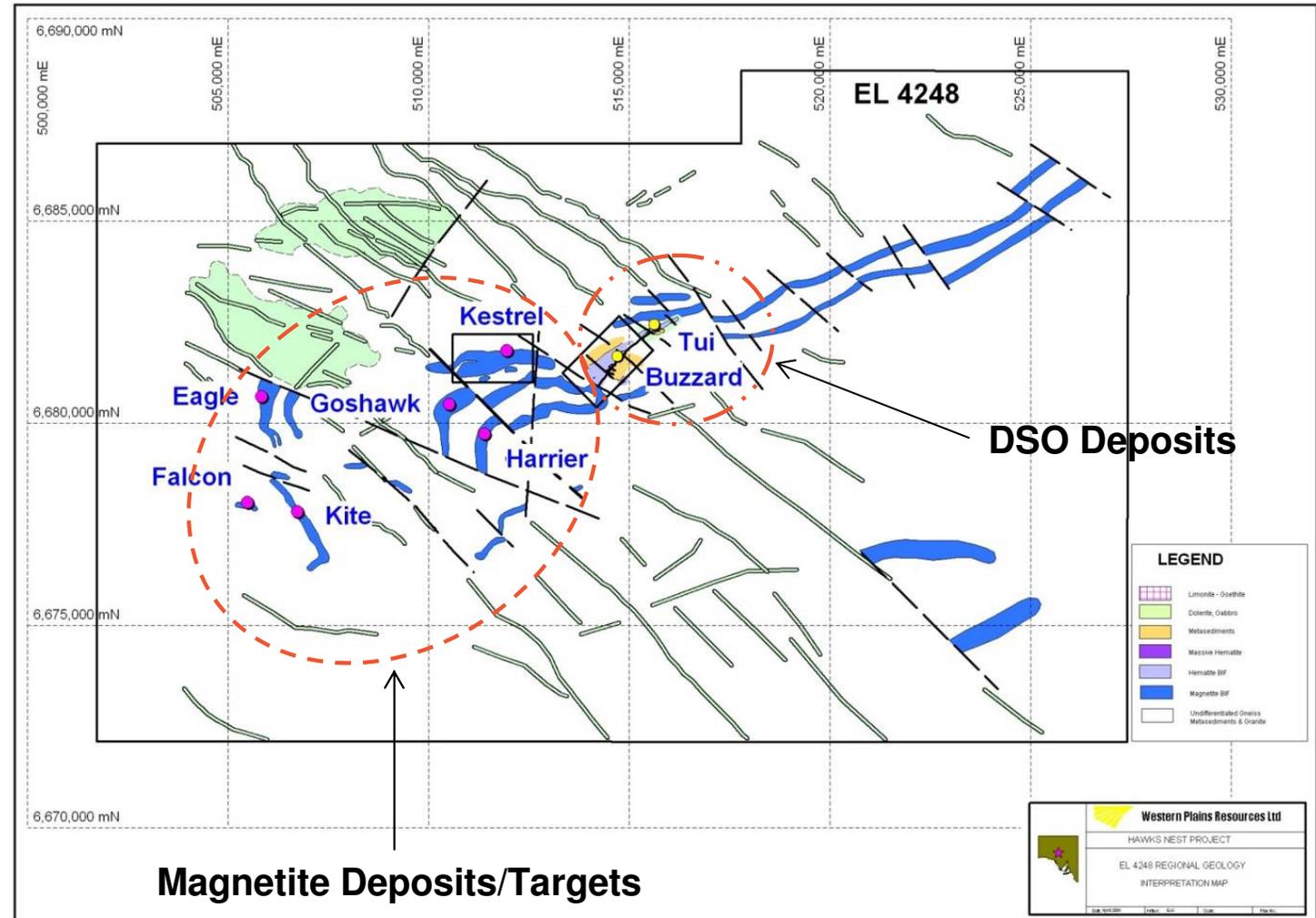
- 7,000m in-pit RC Drilling and 1,000m geotech diamond drilling (DD) underway
- Mineralisation open at depth - inferred material beneath current pit limits of 180m to be tested via extra RC/DD drilling to close out potential at depth to >250m, ~6,000m
- Proposed FY13 5,000m RC, 500m DD

Hawks Nest – Resources & potential

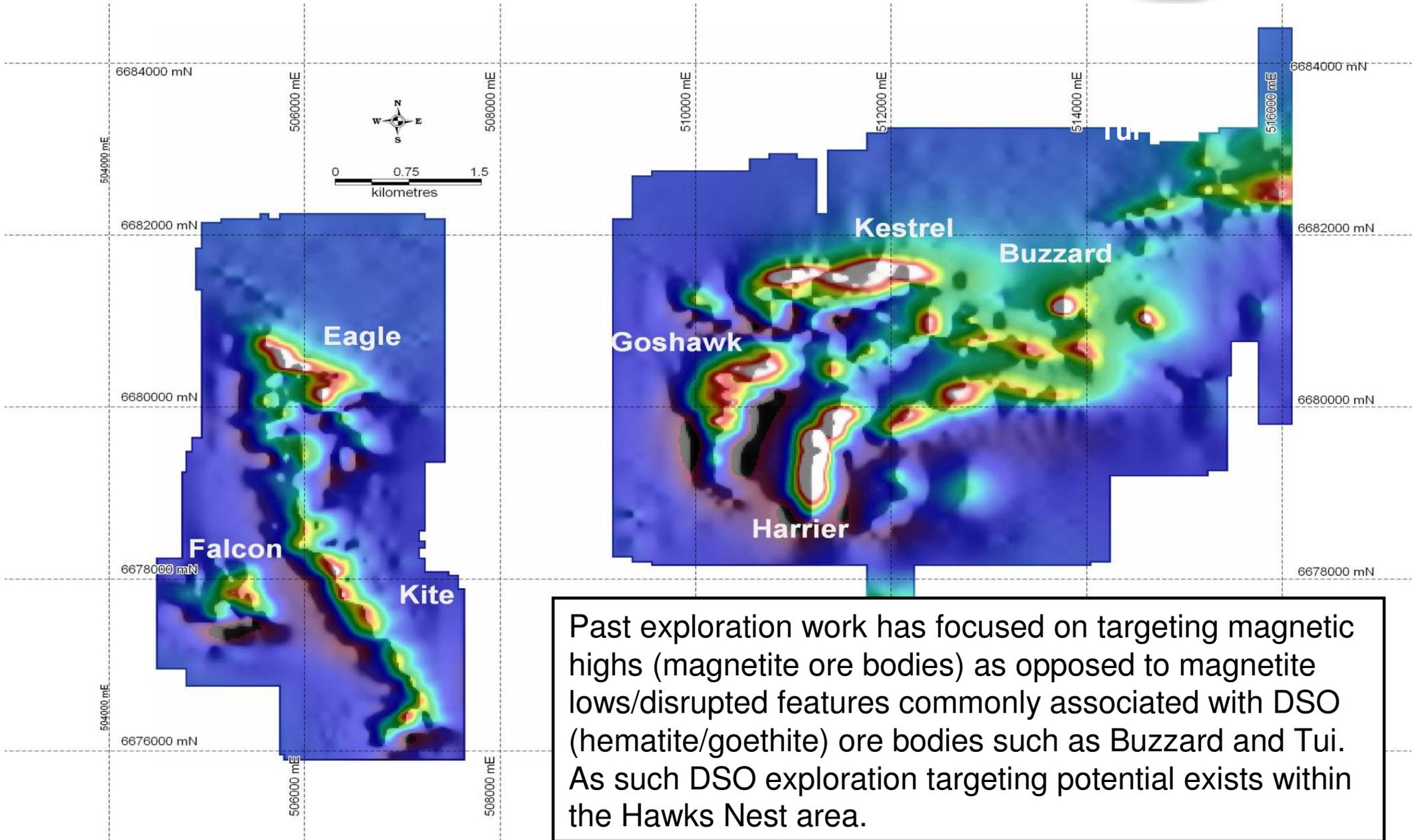


- Hawks Nest contains numerous known hematite and magnetite deposits/targets:

- DSO Deposits
 - Buzzard
 - Tui
- Magnetite Deposits
 - Kestrel
 - Harrier
 - Goshawk
 - Eagle
 - Falcon
 - Kite

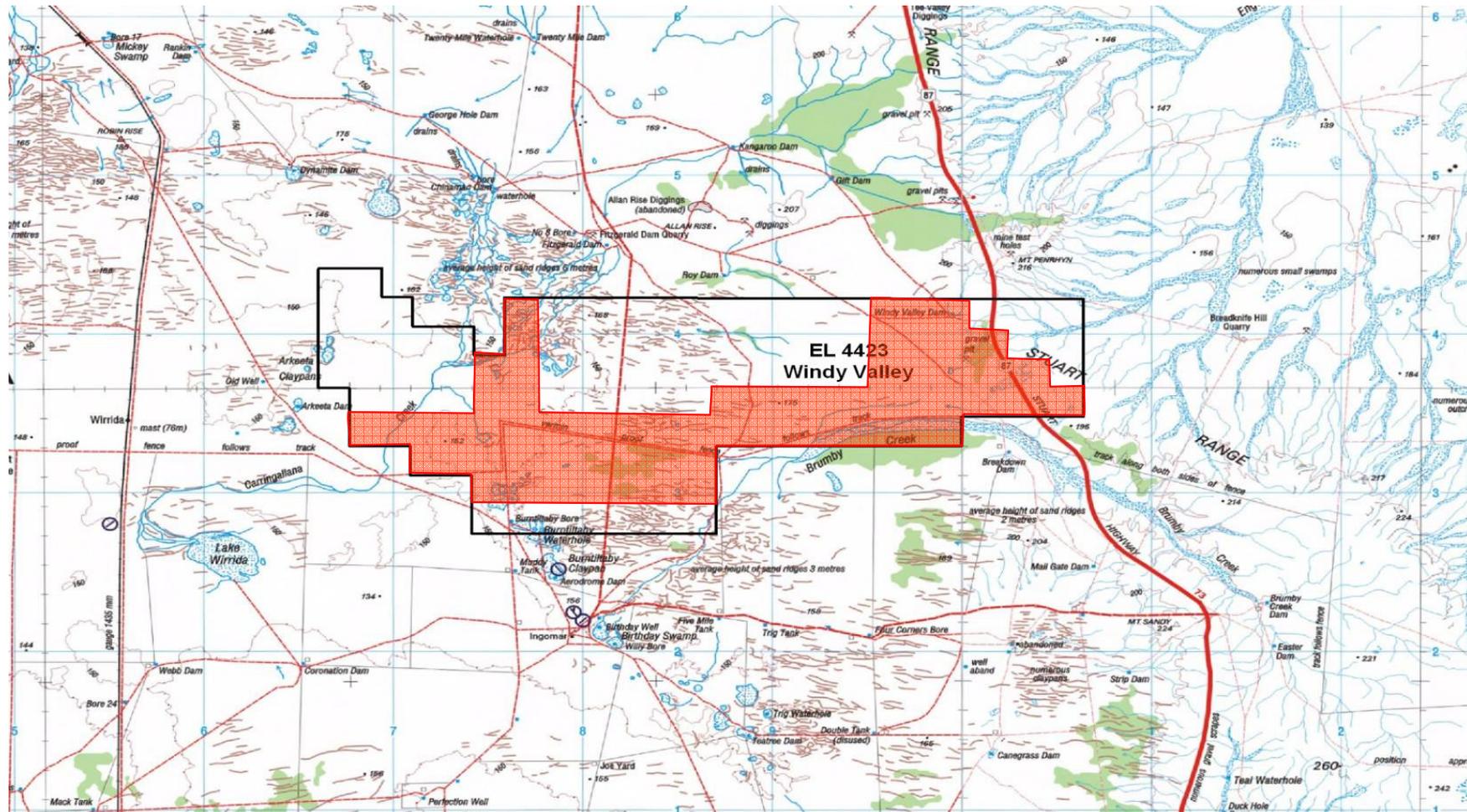


Hawks Nest



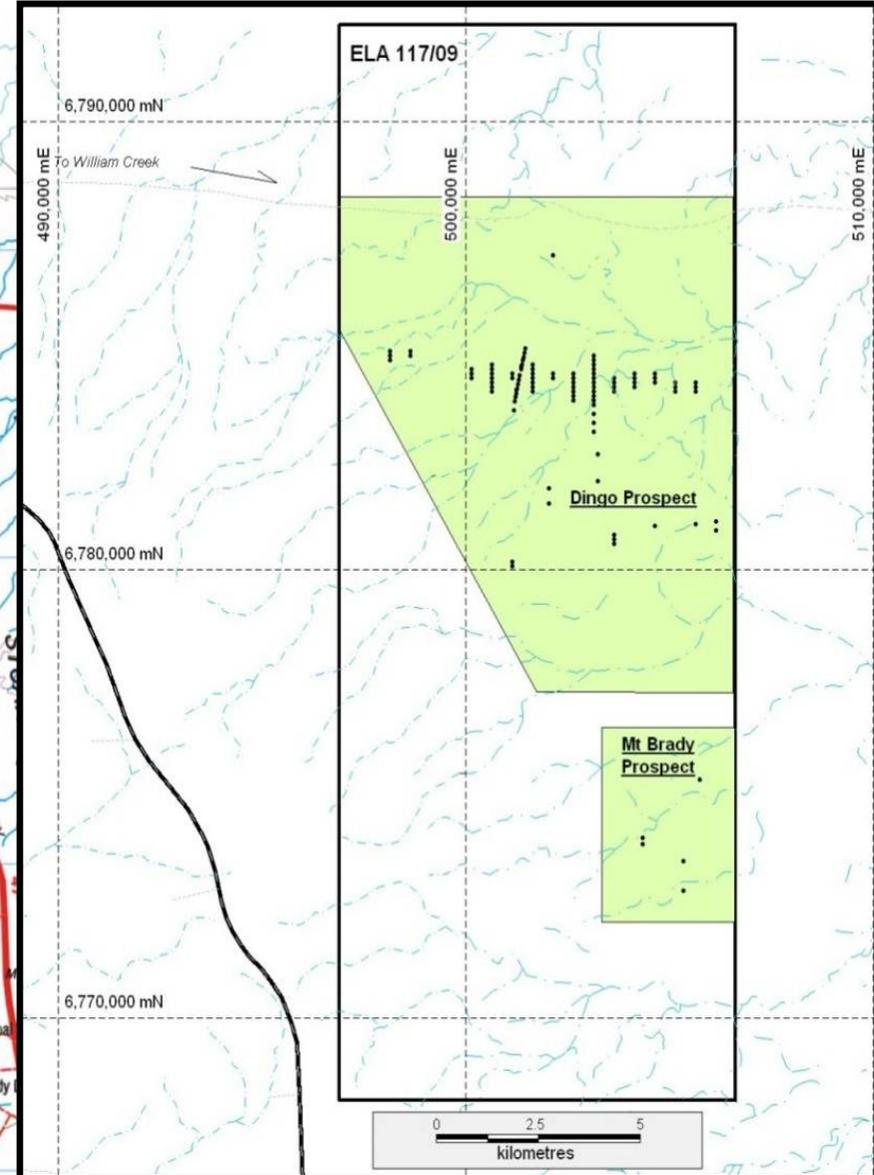
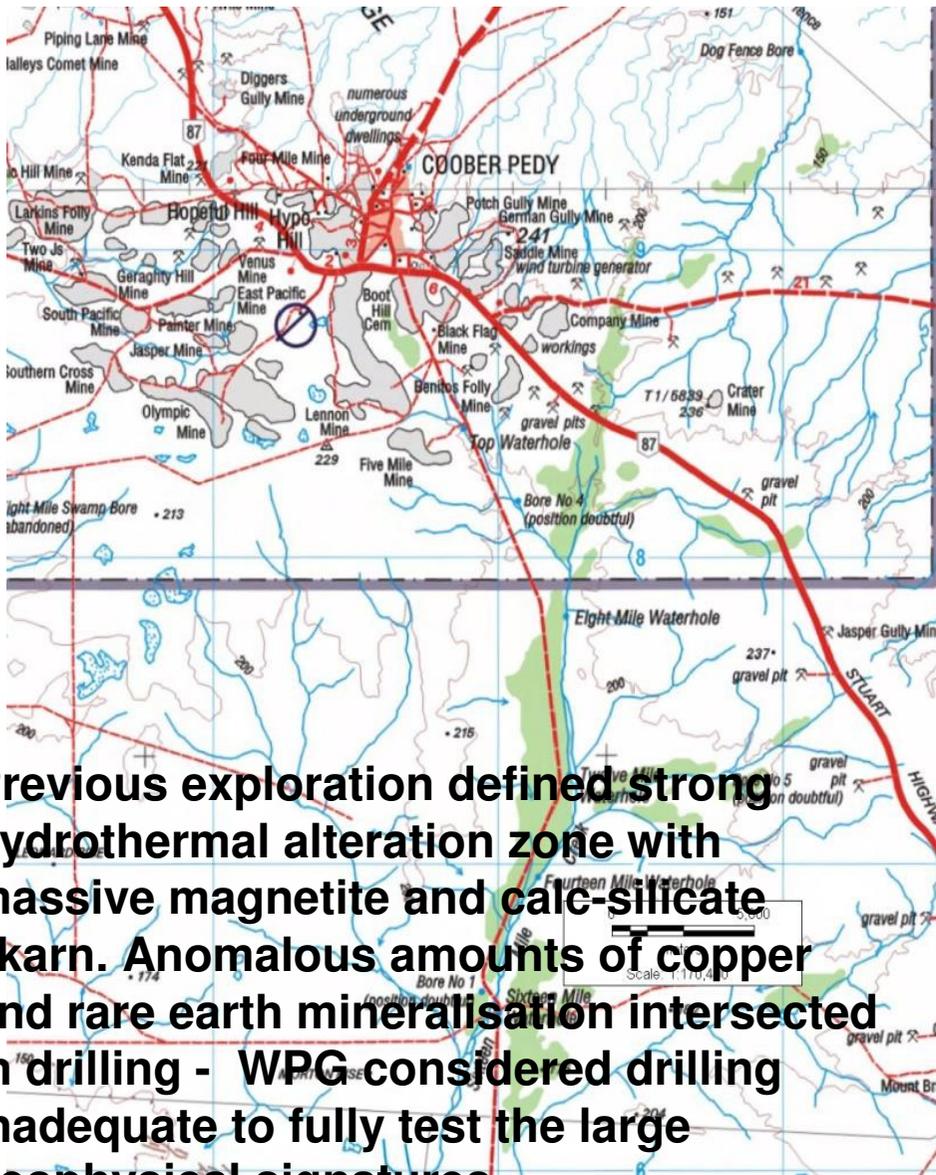
Past exploration work has focused on targeting magnetic highs (magnetite ore bodies) as opposed to magnetite lows/disrupted features commonly associated with DSO (hematite/goethite) ore bodies such as Buzzard and Tui. As such DSO exploration targeting potential exists within the Hawks Nest area.

Southern Iron – Windy Valley



- Previous exploration (Rio 1986-90) - area considered prospective for magnetic and non-magnetic iron deposits, OD Cu-Au-U, sediment hosted U and kimberlites. Tested kimberlite model only, three holes successful in reaching basement (K-feldspar-quartz-chlorite gneiss +/- magnetite) at ~45 metres
- Remains untested for IOCG

Southern Iron – Mt Brady



- Previous exploration defined strong hydrothermal alteration zone with massive magnetite and calc-silicate skarn. Anomalous amounts of copper and rare earth mineralisation intersected in drilling - WPG considered drilling inadequate to fully test the large geophysical signatures



Operational Update

Operational update



Existing MBR operations

- Weather and shipping issues (tugs) adversely impacted Jan/Feb but still expect sales of ~6mt for FY12
 - Includes ~50% <60% Fe and 50% > 60% Fe
 - Percentages expected to be similar for next 3 years
- Expect to be able to maintain sales of ~6mtpa for at least 10 years based on reserves and beneficiation of low grade ore
 - Capex including cut backs of ~\$235m over 5 years from FY13 to maintain sales of 6mtpa
- Loaded cost on ship including royalties and depreciation expected to average \$50/t for FY12
- Overhead costs for 2H12 expected to be ~\$25m

Southern Iron

- First sales expected Q4 CY12
- Capex ~\$286m (Peculiar Knob infrastructure \$86m and Port \$200m)
 - \$180m in FY12 (~\$35m in 1H), \$106m in FY13
- Overhead costs expected to be ~\$10mpa once sales commence (mostly camp costs)

Hematite Extension Project - on track and budget

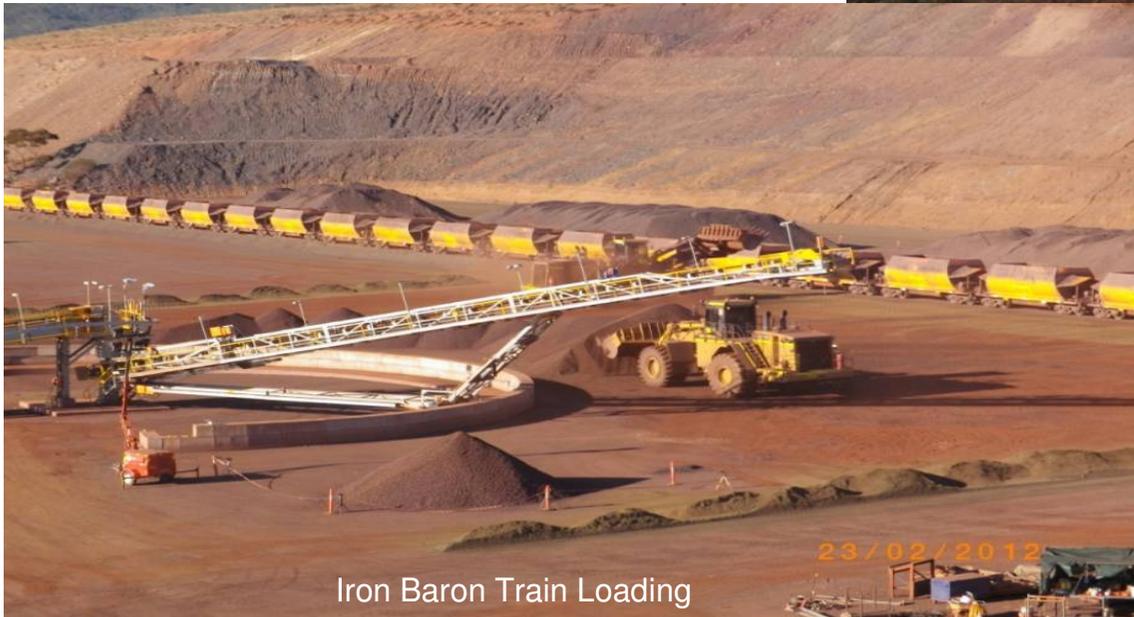


Iron Baron Mining area

- Board approval granted Dec 2010 for construction of Beneficiation Plant, and to install infrastructure to recommence mining
- Project adds 7+mt of beneficiated product, and 8mt DSO ore



Iron Baron OBP



Iron Baron Train Loading

Iron Baron Mining area

- Mining commenced Dec 2011, with first ore into supply chain Jan 2012
- OBP commissioning commenced Jan 2012, handed over to operations March 2012. Exceeding ramp up quality and tonnes against program

Hematite Extension Project - on track and budget



Iron Duke OBP – Spiral & Cyclone Tower upgrade

SMR mining area - Iron Duke OBP

- Key learning from current OBP operation embedded in design of new circuit at Iron Baron
- Invested these design learning back into current operation, budgeted \$16.7m for 3 stage spiral and cyclone installation, delivered on time, and forecast at completion \$16.6m
- Commissioning currently, and performance exceeding expectations in yield and quality
- Commissioned a new mine Iron Chieftain, delivered haul road, and associated infrastructure within budget, and Mining commenced in line with schedule requirements



Summary

Summary



- Established track record in mining, and developing and ramping up mining operations via Middleback Ranges (MBR)
- Expect to maintain sales from existing mining operations at ~6mtpa for at least 10 years
- On track for doubling port capacity at Whyalla to 12mtpa
- On track for step change in iron ore sales through Southern Iron (WPG iron ore assets)
 - First sales from Southern Iron Q4 CY12
 - Expected additional sales of 2mt (total sales of 8mt) in FY13
 - Expected run rate of 5+mtpa by mid CY2013 (total sales run rate 11+mtpa)
- Southern Iron
 - Provides 'speed to market'
 - Underpins port expansion
 - Significant benefits through blending with MBR low grade ores
 - Substantial contribution to investment in Southern Iron and Port
 - 'Speed to market' and narrow capital scope – expansion low risk/low capital cost
- Investigating options to utilise full port capacity
- Investigating options including through exploration and blending to maintain sales of 11+mt for at least 10 years



Questions?



Appendix

Hematite extension project - mining activity location map



Iron Knob area
Establish supporting infrastructure (rail reinstatement, crushing & screening facilities) and recommence mining at Iron Monarch and Iron Princess

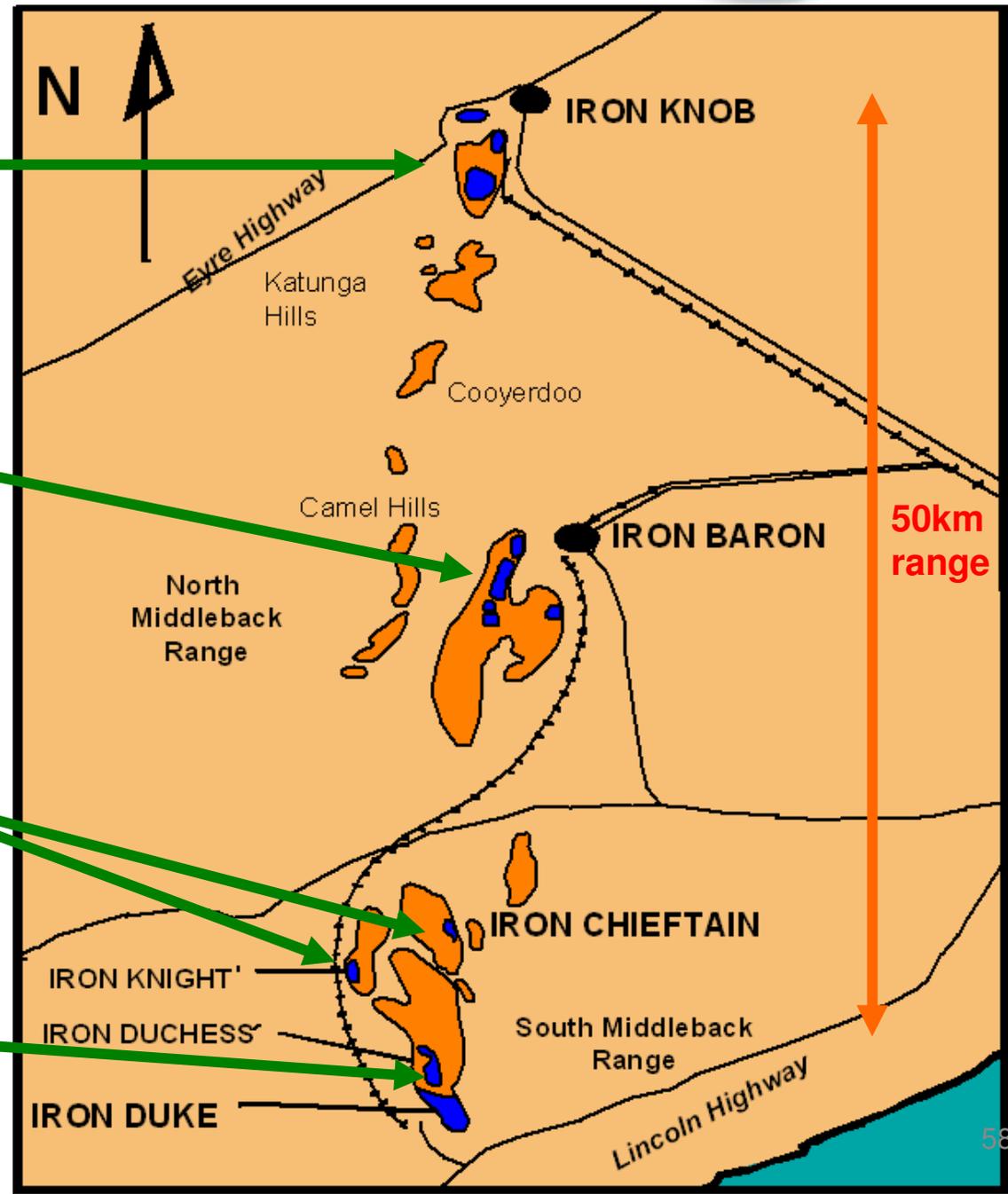
Iron Baron area

- Construct and commission an Ore Beneficiation Plant to upgrade existing stocks of low grade ore
- Recommence mining of remnant ore from existing pits

North SMR area

- Continue and extend mining activities at Iron Knight and Iron Chieftain

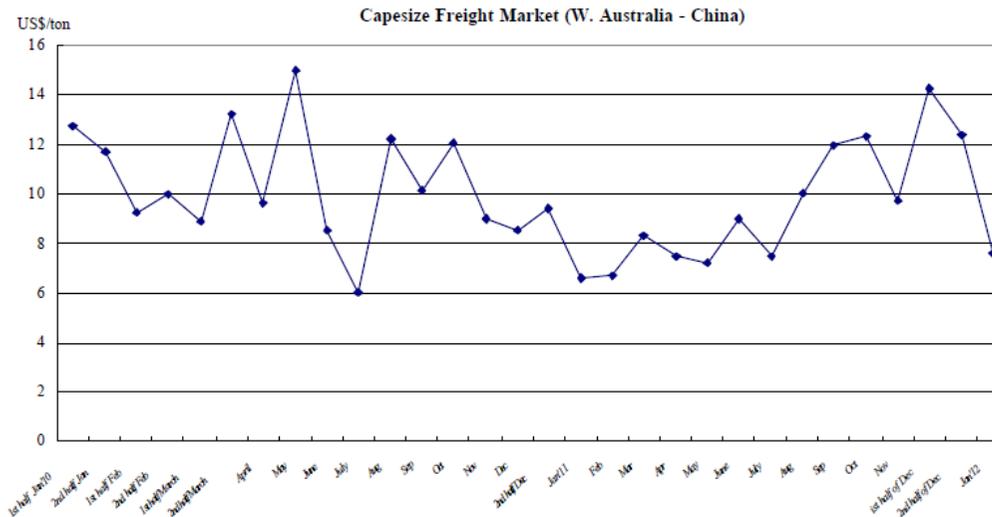
Existing South SMR area
Continue mining activities at Iron Duke, Iron Magnet and extension of Iron Duchess, together with operation of existing fixed plant



Market – freight strategy



Jan '10 to Present



- Protect our supply chain (All CnF sales)
- Any lost capacity (vessel late) cannot be recovered
- Market can still be volatile even in present over-supply of ships
- Notwithstanding rate, for us it is timing to Spencer Gulf
- Mixture of longer term chartered 3+years (~40%) and spot fixtures
- L/Term rolling strategy, first 4 vessels expire Mid 2013 and so on
- Likely to continue this strategy
- Previous ratio to C5 rate (Pilbara) was ~ 1.5 times. Now ~1.8times due influence of bunkers on a lower (dry) charter rate
- Given risks including weather we have been placing ships ahead of requirement (demurrage). Will Continue until early next year when Southern Iron volumes increase



Mining Tax

- Legislation passed through Senate
- Financial outcomes will be driven by legislation, evolution of administrative practice to new tax, as well as assumptions on iron ore pricing going forward. We are not aware of anything in the legislation as passed that alters our view that the Mining Tax should not have a material impact on the Company's Whyalla steelworks or its Middleback Ranges' mining operation
- For Southern Iron, the tax will apply to these new mining operations however we have not yet finalised our work on valuations, including elections to be made under the legislation. Final impact will depend on iron ore assumptions and interpretation of various parts of the legislation including in particular the net back rule



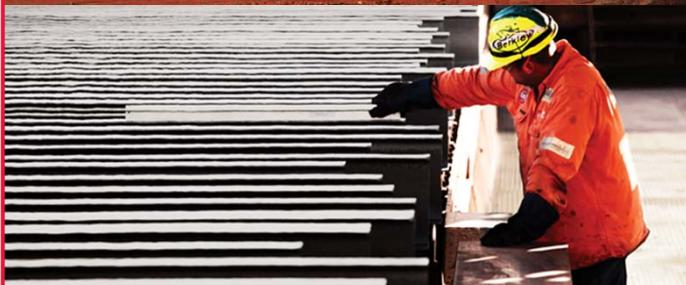
OneSteel Mining Consumables Presentation

Andrew Roberts, Chief Executive Mining Consumables

Jaime Sepulveda, Moly-Cop Global Leader & President Moly-Cop South America

John Barbagallo, General Manager Moly-Cop Australasia

21 March 2012



onesteel



This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of OneSteel and certain plans and objectives of the management of OneSteel. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. All such forward looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies and other factors, many of which are outside the control of OneSteel, which may cause the actual results or performance of OneSteel to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward-looking statements speak only as of the date of this presentation. Factors that could cause actual results or performance to differ materially include without limitation the following: risks and uncertainties associated with the Australian and global economic environment and capital market conditions, the cyclical nature of the steel industry, the level of activity in the construction, manufacturing, mining, agricultural and automotive industries in Australia and North and South America and, to a lesser extent, the same industries in Asia and New Zealand, mining activity in the Americas, commodity price fluctuations, fluctuations in foreign currency exchange and interest rates, competition, OneSteel's relationships with, and the financial condition of, its suppliers and customers, legislative changes, regulatory changes or other changes in the laws which affect OneSteel's business, including environmental laws, a carbon tax, mining tax and operational risk. The foregoing list of important factors is not exhaustive. There can be no assurance that actual outcomes will not differ materially from these statements.

Contents



- Mining Consumables Andrew Roberts
- Key Market Drivers Andrew Roberts
- Moly-Cop Overview Jaime Sepulveda
- Moly-Cop South America Jaime Sepulveda
- Moly-Cop North America Jaime Sepulveda
- Moly-Cop Australasia John Barbagallo
- Strategic Focus & Outlook Andrew Roberts
- Summary Andrew Roberts
- Appendix



Mining Consumables

Andrew Roberts, Chief Executive Mining Consumables

OneSteel Mining Consumables



- Through the Moly-Cop business, OneSteel Mining Consumables is the leading global supplier of grinding media, as well as supplying wire ropes and rail wheels direct to mining companies and manufacturing suppliers to the mining industry
 - The largest manufacturer of grinding media in the world
 - Leading market positions in South America, North America, and Australasia supplying ~900ktpa of grinding balls
 - Ideally positioned to capitalise on mining growth, particularly from copper, gold and iron ore production
 - Continues to strengthen its relationships with large mining houses - high quality customers
 - Over 80 years experience in the Americas and Australasia
 - Grinding media underpins our Mining Consumables growth strategy
 - Has existing available grinding media capacity and plan to invest in new capacity 'ahead of the market' to leverage organic growth
 - Has a comprehensive footprint for further geographic growth in grinding media and mining consumables

Segment structure



Mining	Mining Consumables	Australian Steel		Recycling
		Manufacturing	Australian Distribution	
Iron ore mines Middleback Ranges Iron ore lump Iron ore fines Lower grade ore Pellet plant Southern Iron Dolomite mines	Moly-Cop Moly-Cop Australasia Australia Indonesia Moly-Cop North America USA Canada Mexico Moly-Cop South America Chile Peru AltaSteel EAF, Rolling Mill Waratah Steel Mill EAF Bar Mill, Rail & Forge Wire Ropes	Whyalla Steelworks Structural Rolling Mills Rail Products Facilities Slabs & Billets Steelmaking by-products (e.g. coke) Laverton Steel Mill Sydney Steel Mill Wire Mills Newcastle Rod Mill Australian Tube Mills	ARC - Australian Reinforcing Company OSR - OneSteel Reinforcing Merchandising Metaland/Steel & Tube	Australian Recycling International Recycling Asia USA

Facilities acquired in FY11 →



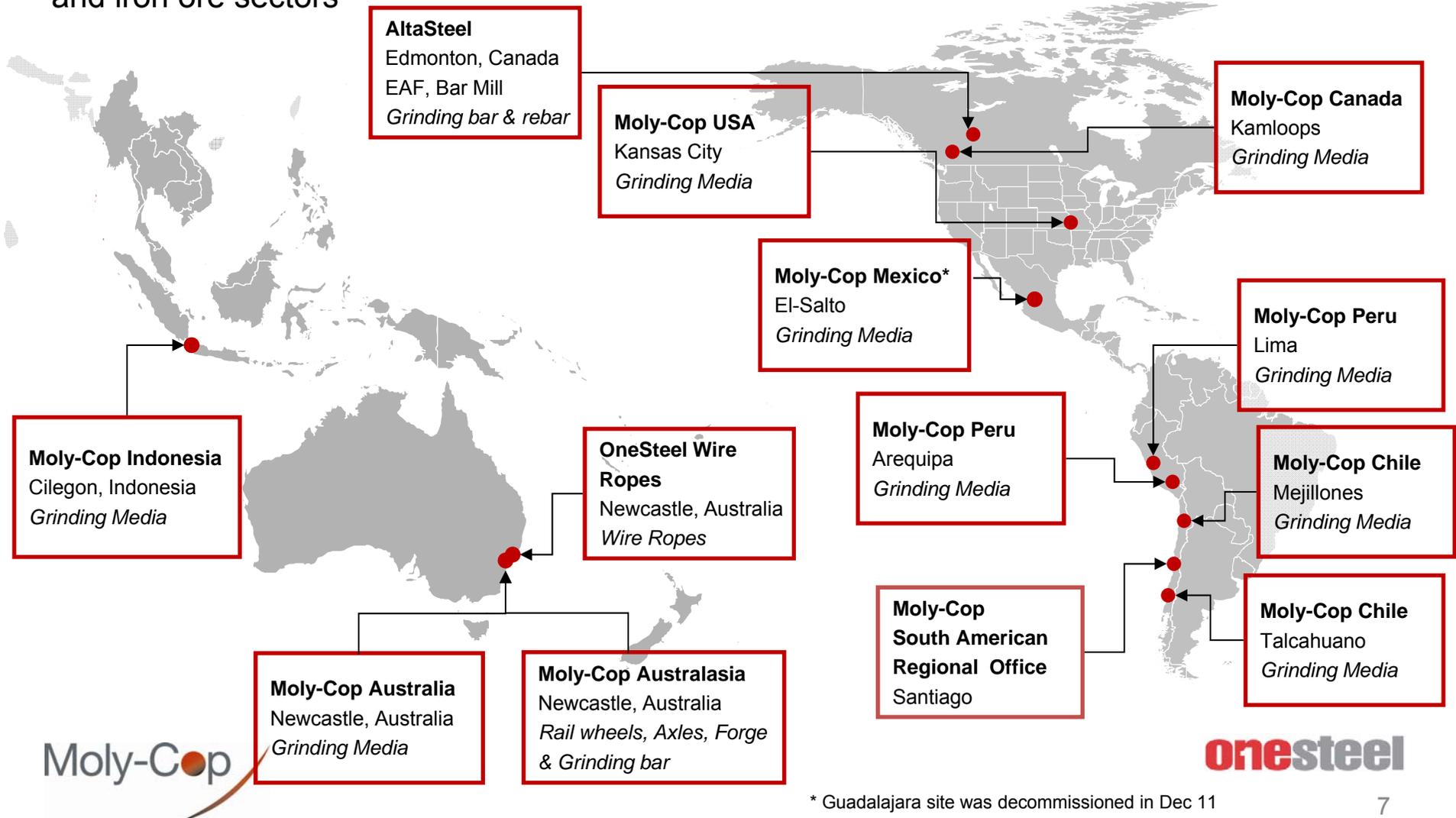
New Zealand Distribution segment not shown (represents OST's 50.3% shareholding in Steel & Tube Holdings Limited)





Mining Consumables global operations

12 manufacturing facilities producing grinding media, wire ropes, rail and grinding bar across the Americas and Australasia, close to local markets and customers in growing copper, gold and iron ore sectors



* Guadalajara site was decommissioned in Dec 11

Mining Consumables business segments



- OneSteel Mining Consumables is the largest producer of grinding media globally with facilities in Chile, Peru, Mexico, USA, Canada, Indonesia and Australia
- Leveraged to the high growth mining sector, predominantly copper, gold and iron ore
- Grinding Media, Rail & Forge and Wire Ropes businesses with 2 integrated electric arc furnaces and 2 bar mills



Grinding media facilities	Capacity* (~ktpa)	Products size range
Newcastle, Australia	250	1" – 6"
Cilegon, Indonesia	30	1" – 2"
Kansas City, USA	180	1.5" – 5.5"
Talcahuano & Mejillones, Chile	430	1" – 6.25"
Lima & Arequipa, Peru	115	1" – 5"
Guadalajara, Mexico	170	1" – 5.5"
Kamloops, Canada	<u>115</u>	1" – 5.5"
Total	1,290	



*Excludes Board approved expansions in Lima, Peru and Cilegon, Indonesia totalling ~90ktpa





Mining Consumables highlights

- Successfully integrated the acquired Moly-Cop and AltaSteel businesses with OneSteel's existing Mining Consumables businesses
- Moly-Cop was recognised as 2011 Global Supplier of the Year by Newmont
- Developed a new generation large diameter (SAG) ball for Moly-Cop
- Strong market penetration of Raptex Dragline Dump Ropes
- Completed the rebuild of Moly-Cop Chile's Talcahuano grinding media plant - significantly impacted by the February 2010 earthquake and tsunami
- Exited the Guadalajara plant and consolidated all Moly-Cop Mexico production at the new El Salto plant
- Combining of and leveraging Moly-Cop's Best Practice Group (+MAS) across the global business
- Retention of all Moly-Cop management and capability
- Change of Senior Management at AltaSteel and improvement showing good early signs
- Improved profitability in 1H12 for the acquired businesses
- Improved profitability in 1H12 for Grinding and Rail, predominantly driven by performance in Rail Wheels

Management structure



Chief Executive
Mining Consumables

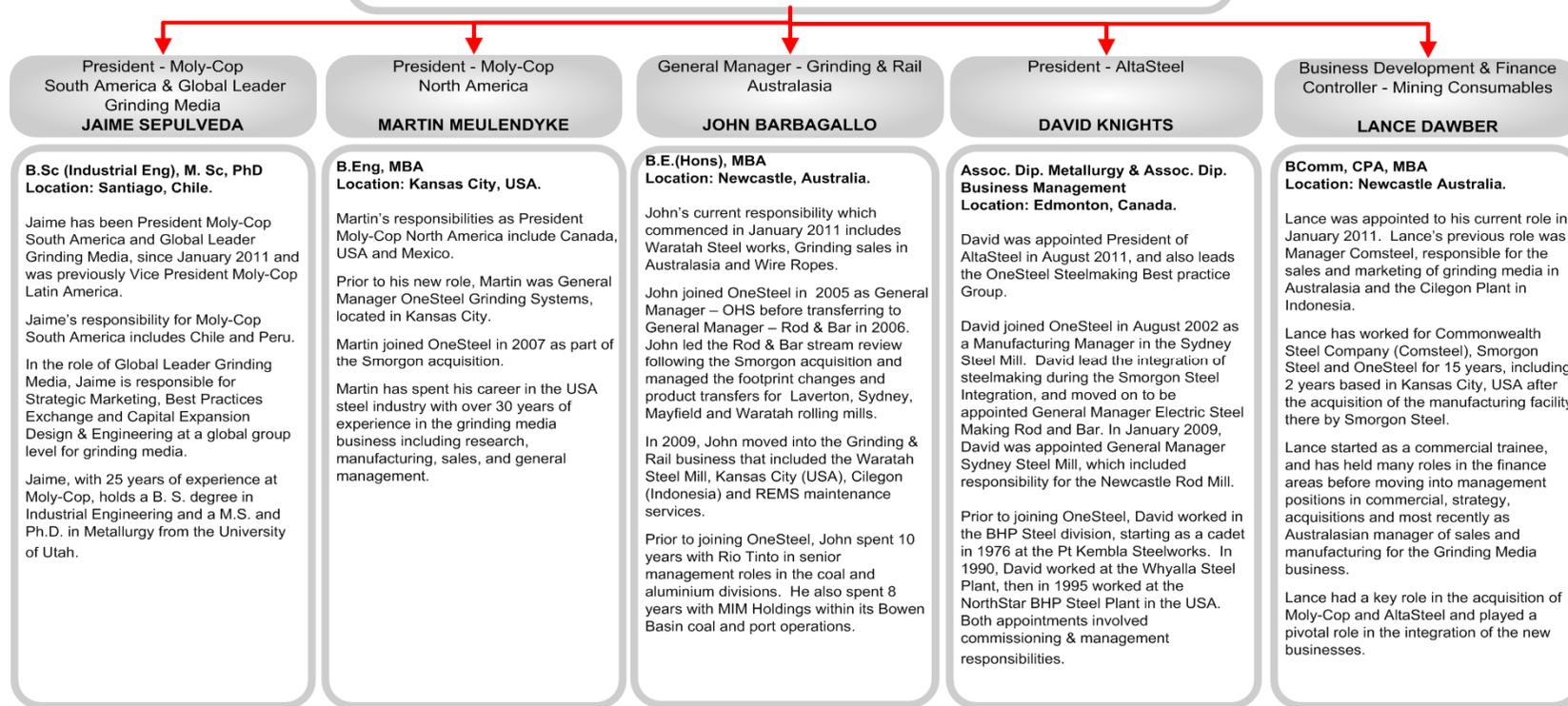
ANDREW ROBERTS

BComm. Location: Sydney, Australia.

Andrew is responsible for OneSteel's global mining consumables businesses including Moly-Cop, Grinding & Rail Australasia, Wire Ropes and AltaSteel.

Prior to his new role, Andrew was appointed Chief Executive Market Mills in 2009, which included Grinding & Rail Australasia, Wire Ropes and OneSteel Grinding Systems USA.

Andrew joined OneSteel from BHP Steel, starting in 1989.



President - Moly-Cop
South America & Global Leader
Grinding Media
JAIME SEPULVEDA

**B.Sc (Industrial Eng), M. Sc, PhD
Location: Santiago, Chile.**

Jaime has been President Moly-Cop South America and Global Leader Grinding Media, since January 2011 and was previously Vice President Moly-Cop Latin America.

Jaime's responsibility for Moly-Cop South America includes Chile and Peru.

In the role of Global Leader Grinding Media, Jaime is responsible for Strategic Marketing, Best Practices Exchange and Capital Expansion Design & Engineering at a global group level for grinding media.

Jaime, with 25 years of experience at Moly-Cop, holds a B. S. degree in Industrial Engineering and a M.S. and Ph.D. in Metallurgy from the University of Utah.

President - Moly-Cop
North America
MARTIN MEULENDYKE

**B.Eng, MBA
Location: Kansas City, USA.**

Martin's responsibilities as President Moly-Cop North America include Canada, USA and Mexico.

Prior to his new role, Martin was General Manager OneSteel Grinding Systems, located in Kansas City.

Martin joined OneSteel in 2007 as part of the Smorgon acquisition.

Martin has spent his career in the USA steel industry with over 30 years of experience in the grinding media business including research, manufacturing, sales, and general management.

General Manager - Grinding & Rail
Australasia
JOHN BARBAGALLO

**B.E.(Hons), MBA
Location: Newcastle, Australia.**

John's current responsibility which commenced in January 2011 includes Waratah Steel works, Grinding sales in Australasia and Wire Ropes.

John joined OneSteel in 2005 as General Manager – OHS before transferring to General Manager – Rod & Bar in 2006. John led the Rod & Bar stream review following the Smorgon acquisition and managed the footprint changes and product transfers for Laverton, Sydney, Mayfield and Waratah rolling mills.

In 2009, John moved into the Grinding & Rail business that included the Waratah Steel Mill, Kansas City (USA), Cilegon (Indonesia) and REMS maintenance services.

Prior to joining OneSteel, John spent 10 years with Rio Tinto in senior management roles in the coal and aluminium divisions. He also spent 8 years with MIM Holdings within its Bowen Basin coal and port operations.

President - AltaSteel
DAVID KNIGHTS

**Assoc. Dip. Metallurgy & Assoc. Dip.
Business Management
Location: Edmonton, Canada.**

David was appointed President of AltaSteel in August 2011, and also leads the OneSteel Steelmaking Best practice Group.

David joined OneSteel in August 2002 as a Manufacturing Manager in the Sydney Steel Mill. David led the integration of steelmaking during the Smorgon Steel Integration, and moved on to be appointed General Manager Electric Steel Making Rod and Bar. In January 2009, David was appointed General Manager Sydney Steel Mill, which included responsibility for the Newcastle Rod Mill.

Prior to joining OneSteel, David worked in the BHP Steel division, starting as a cadet in 1976 at the Pt Kembla Steelworks. In 1990, David worked at the Whyalla Steel Plant, then in 1995 worked at the NorthStar BHP Steel Plant in the USA. Both appointments involved commissioning & management responsibilities.

Business Development & Finance
Controller - Mining Consumables
LANCE DAWBER

**BComm, CPA, MBA
Location: Newcastle Australia.**

Lance was appointed to his current role in January 2011. Lance's previous role was Manager Comsteel, responsible for the sales and marketing of grinding media in Australasia and the Cilegon Plant in Indonesia.

Lance has worked for Commonwealth Steel Company (Comsteel), Smorgon Steel and OneSteel for 15 years, including 2 years based in Kansas City, USA after the acquisition of the manufacturing facility there by Smorgon Steel.

Lance started as a commercial trainee, and has held many roles in the finance areas before moving into management positions in commercial, strategy, acquisitions and most recently as Australasian manager of sales and manufacturing for the Grinding Media business.

Lance had a key role in the acquisition of Moly-Cop and AltaSteel and played a pivotal role in the integration of the new businesses.





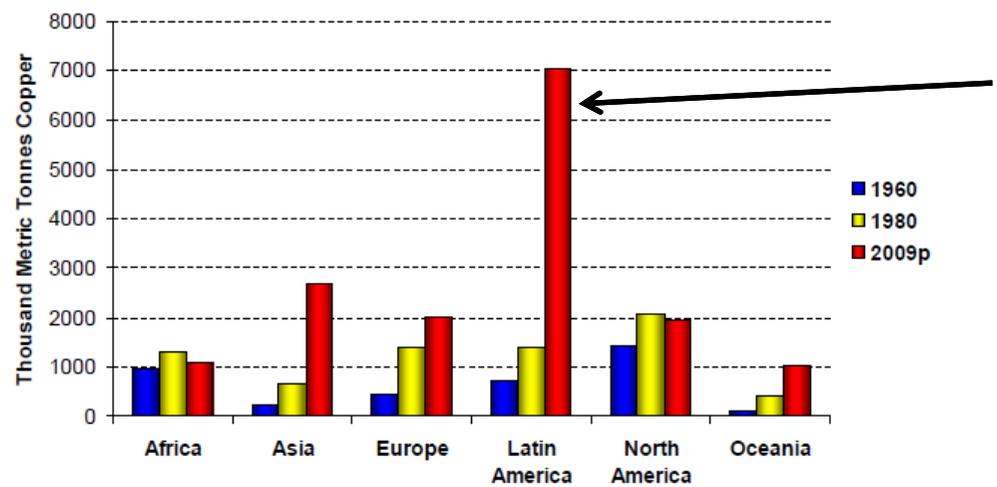
Moly-Cop Key Market Drivers

Andrew Roberts, Chief Executive Mining Consumables



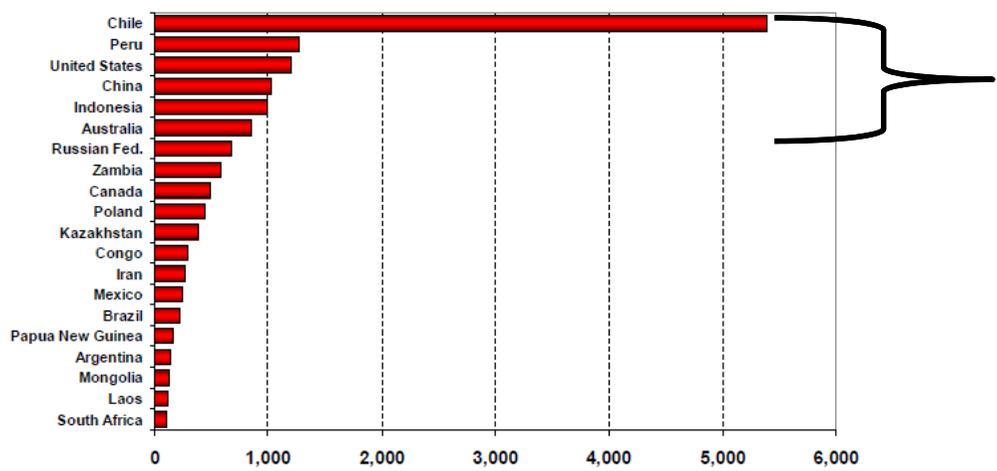
Key market drivers – Copper

Copper Mine Production by Region, 1960, 1980 & 2009p
(Thousand metric tonnes)
Source: ICSG



- From less than 750 thousand tonnes in 1960, copper mine production in South America surged to just over 7 million tonnes last year

Copper Mine Production by Country: Top 20 Countries in 2009p
(Thousand metric tonnes)
Source: ICSG



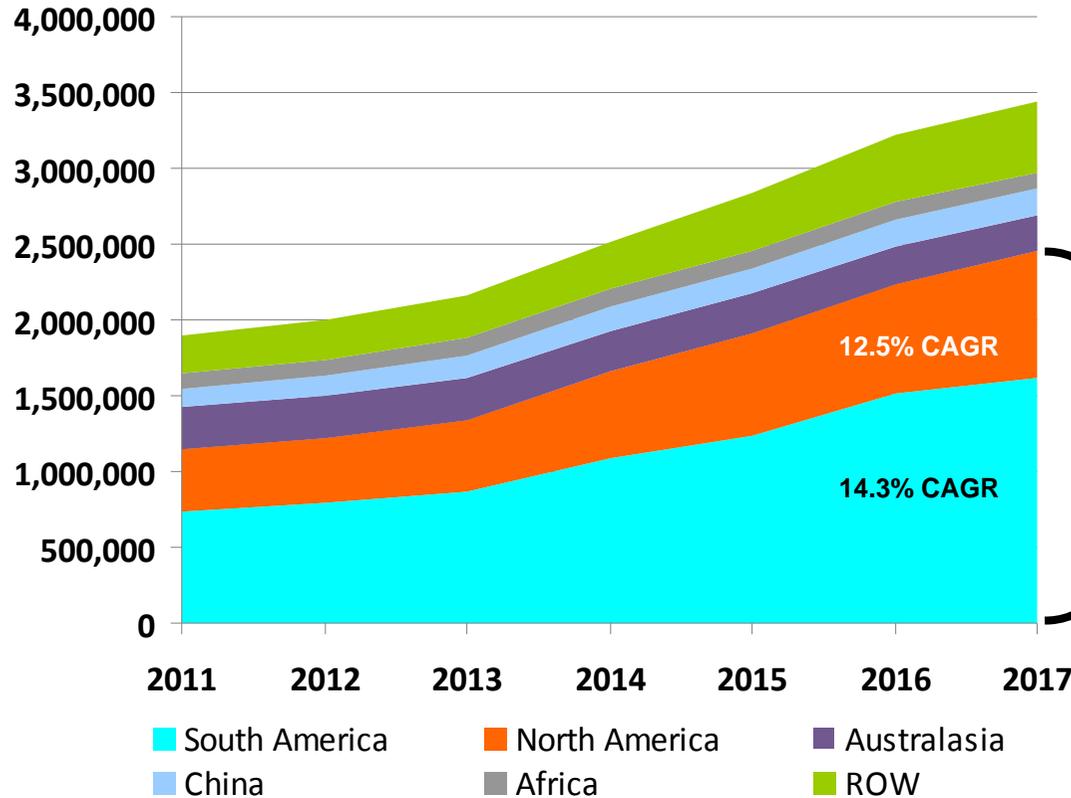
- Moly-Cop has an established operational footprint and strong market position in 5 of the top 6 copper producing countries



Key market drivers – Copper ore milled

Growing demand for copper and declining ore head grades are driving an expected increase of 81% in ore milled from 2011 to 2017. Ore milled has a direct relationship to grinding media demand

Cu Ore Milled (kt) - By Region
2011 - 2017



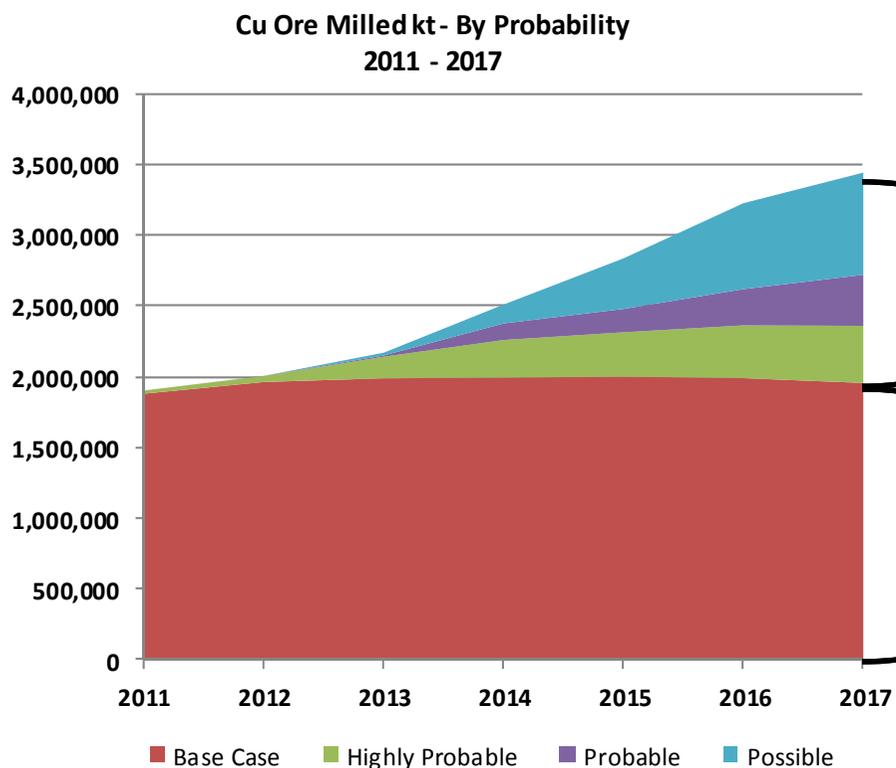
- Wood Mackenzie forecasts global copper ore milled tonnage to increase by 81% from 2011 to 2017 with CAGR of 10.4%
- The most significant growth occurs in South America (14.3% CAGR) and North America (12.5% CAGR) where Moly-Cop has strong in-market positions



Key market drivers – Copper projects

The increase in ore milled is driven by the strong outlook for new mines, expected expansions and restarts, on top of a stable base production level

Copper



Growth: Significant increase in projects driving an increase in ore milled. High confidence level (~50% are highly probable or probable)

Mine installed base: quite stable with a very low number of closures expected

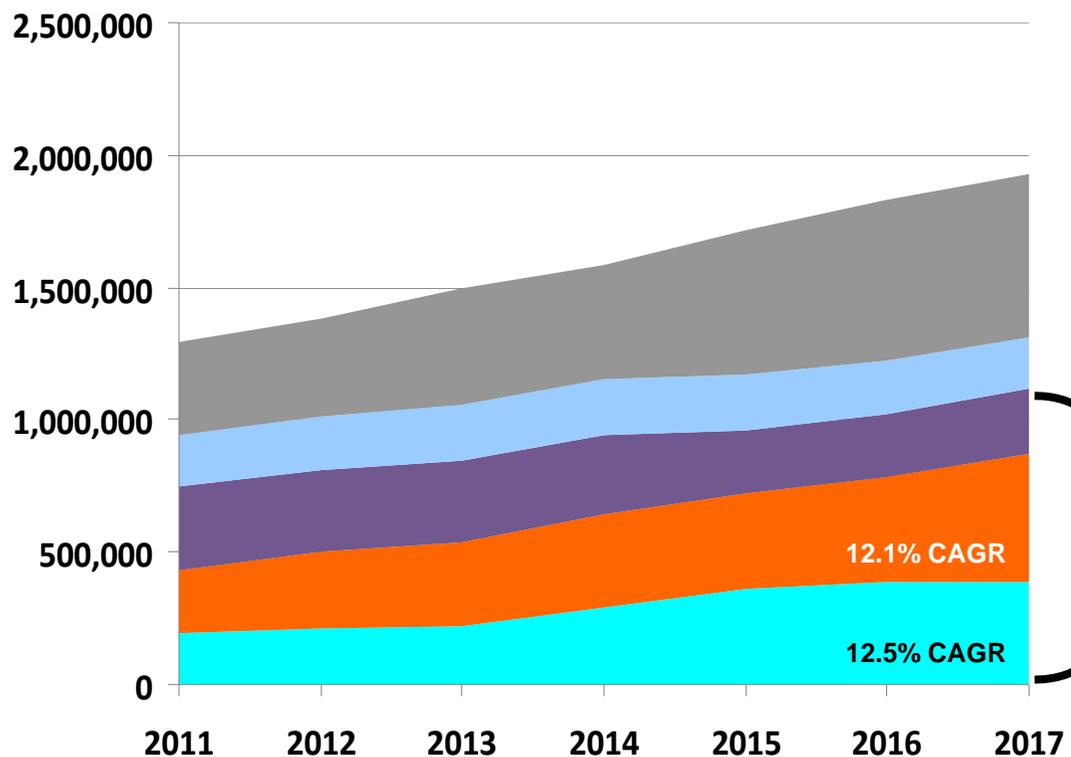
Source: Wood Mackenzie



Key market drivers – Gold ore milled

Growing demand for gold and declining ore head grades are expected to drive an increase of 49% in ore milled from 2011 to 2017

**Au Ore Milled kt - By Region
2011 - 2017**



■ South America ■ North America ■ Australasia ■ Africa ■ ROW

Gold

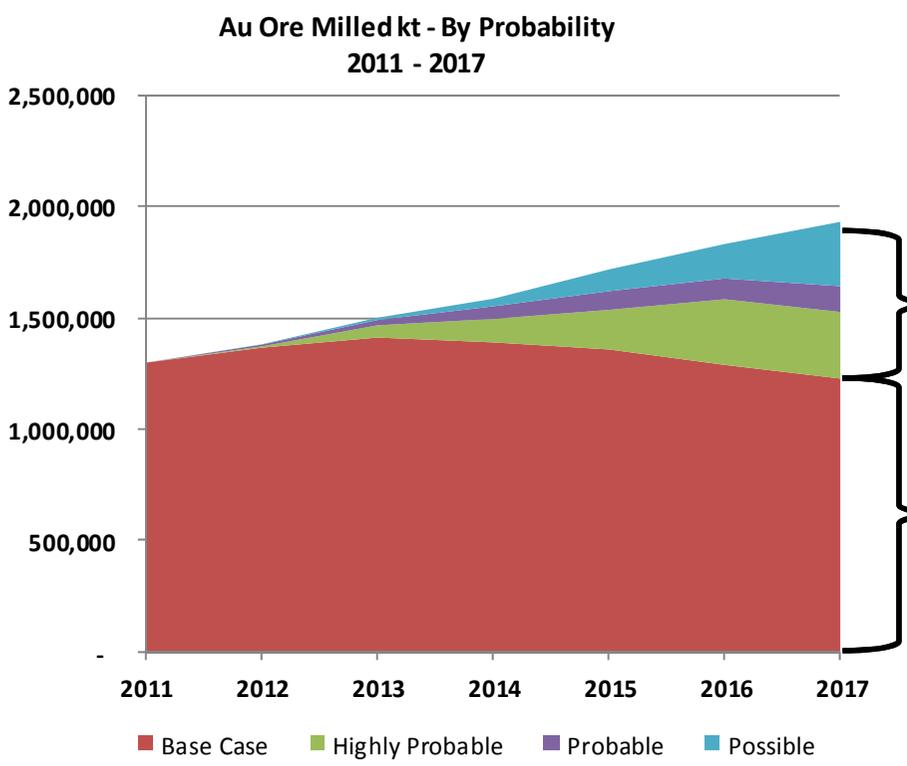
- Increasing total ore milled is expected to drive grinding media demand
 - Wood Mackenzie forecasts global Gold ore milled tonnage to increase by 49% from 2011 to 2017 with a CAGR of 6.8%
 - The most significant growth occurs in South America (12.5% CAGR) and North America (12.1% CAGR)
 - Canada is a top 10 gold producer and home to some of the world's largest gold projects
-
- Australasia, North America & South America are the top 3 gold producing regions in the world
 - Moly-Cop has the No.1 market position in these regions



Key market drivers – Gold projects

The increase in ore milled is driven by the strong outlook for new mines, and expected expansions & restarts

Gold



Growth: A large number of projects are expected to drive an increase in ore milled. High confidence level (high proportion of highly probable or probable projects) until at least 2016

Mine installed base: Gradual decline in base more than offset by growth

Source: Wood Mackenzie



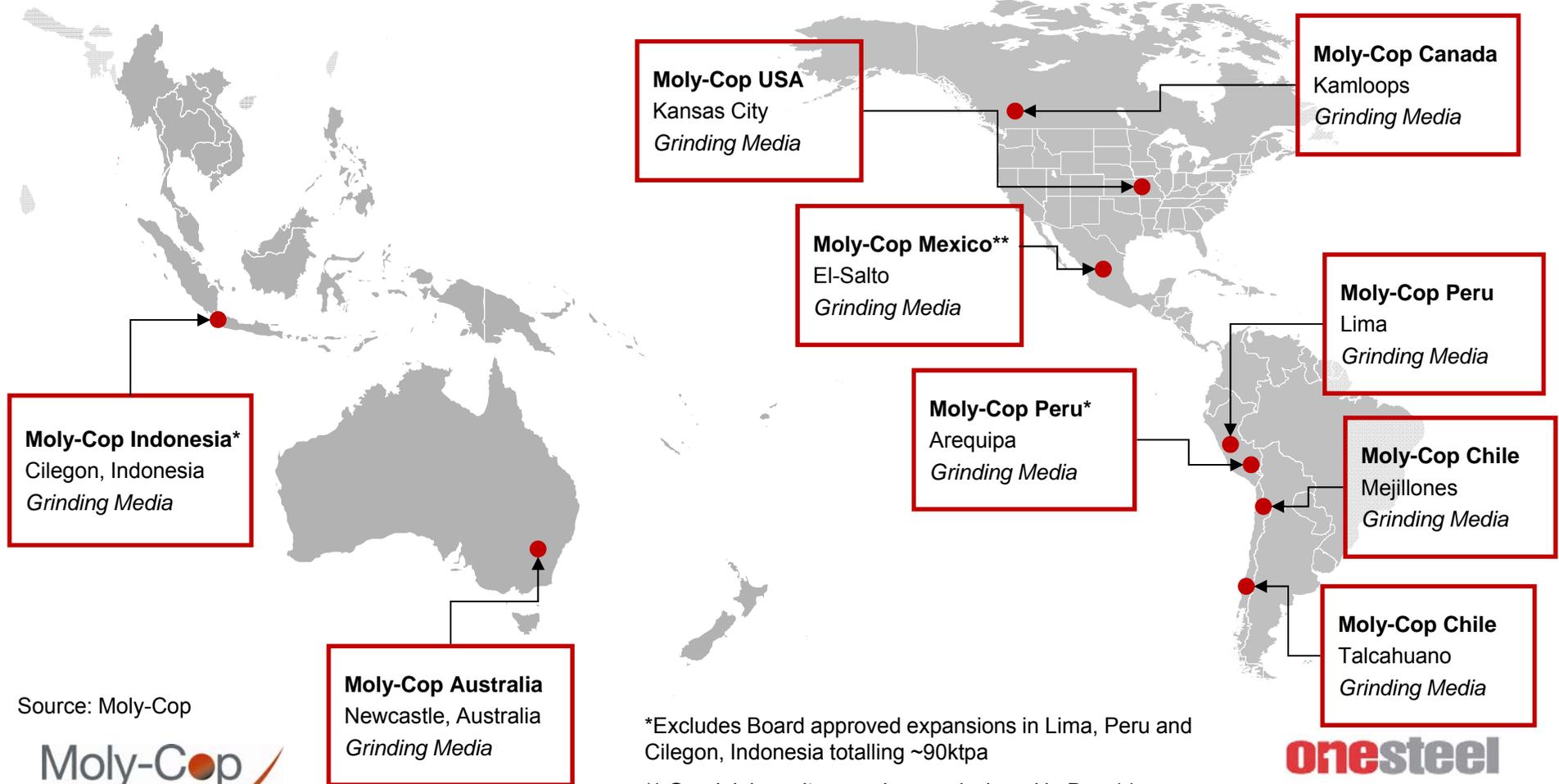
Moly-Cop Overview

Jaime Sepulveda, Moly-Cop Global Leader & President Moly-Cop South America



Moly-Cop operations

9 state of the art grinding media facilities across the Americas and Australasia close to local markets and customers with currently installed capacity of c.1.3*mtpa which represents approximately one third of the global grinding media capacity, excluding China



Source: Moly-Cop

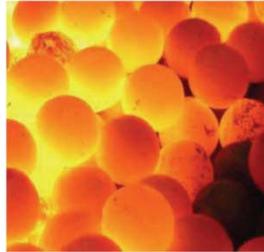


*Excludes Board approved expansions in Lima, Peru and Cilegon, Indonesia totalling ~90ktpa

** Guadalajara site was decommissioned in Dec 11



Moly-Cop's business model



Buy Side

- Integrated and external bar suppliers
- Long standing in-region supply relationships
- Bar price generally indexed to Scrap or CRUspi Longs Index to reduce volatility in bar cost for ball manufacturers and customers
- Security of bar supply is important
- Bar quality important
- Freight key component

Conversion

- Feed Bar represents at least 80% of ball cost
- Next significant costs include energy and labour
- Low fixed costs
- High operating and energy efficiencies
- Focus on yield (97-98%) and operating efficiency (>90% availability)

Sell Side

- Customer contracts are generally 1 – 5 years.
- Large customers: 10 - 25k+ tpa
- Pricing generally based on an agreed price formulae relative to the CRUspi or scrap
- Freight generally paid and managed by Moly-Cop, freight key part of price equation (proximity to customer important)
- Security of supply to customers is critical
- Technical support important
- Ball performance and price per unit determines the 'value in use' to the customer

Strong Customer base



Moly-Cop has a blue chip customer base including key global copper, gold and iron ore mining companies. Moly-Cop is recognised as a quality supplier in the mining industry

Top 15 Copper Mines by Capacity (kt)

Rank	Mine	Country	Owner	Capacity	Moly-Cop Customer
1	Escondida	Chile	BHPB / Rio	1,300	Yes
2	Codelco Norte	Chile	Codelco	920	Yes
3	Grasberg	Indonesia	PT Freeport	780	Yes
4	Collahuasi	Chile	Anglo / Xstrata	520	Yes
5	El Teniente	Chile	Codelco	454	Yes
6	Taimyr Peninsula	Russia	Norilsk Nickel	430	No
7	Antamina	Peru	BHPB / Xstrata	400	Yes
8	Los Pelambres	Chile	Antofagasta	400	Yes
9	Morenci	USA	Freeport	390	No
10	Bingham Canyon	USA	Rio	280	Yes
11	Batu Hijau	Indonesia	Newmont	280	Yes
12	Andina	Chile	Codelco	280	Yes
13	Kansanshi	Zambia	First Quantum	270	No
14	Los Bronces	Chile	Anglo	241	Yes
15	Zhezkasgan	Zambia	Kazakhmys	230	No

Source: ICSG



Moly-Cop was named Newmont's 2011 Global Supplier of the Year for support of “continuous improvement programs, proactive and transparent collaboration and consistently producing high quality products”

- Demand for grinding media primarily arises from a relatively small number of large customers (10–25+ktpa)
- Typically 5 to 10 customers represent over 90% of the total demand at each Moly-Cop business unit
- Customer contracts and supply agreements generally 1 – 5 years





Why do customers buy from us?

Superior wear performance:

- After 80 years of continuous product development, Moly-Cop's grinding media quality is widely recognized as the industry leading standard
- Moly-Cop's superior wear performance, added to our competitive prices, provide customers the minimum effective cost of application (\$/tonne ground)

Timely and flexible deliveries:

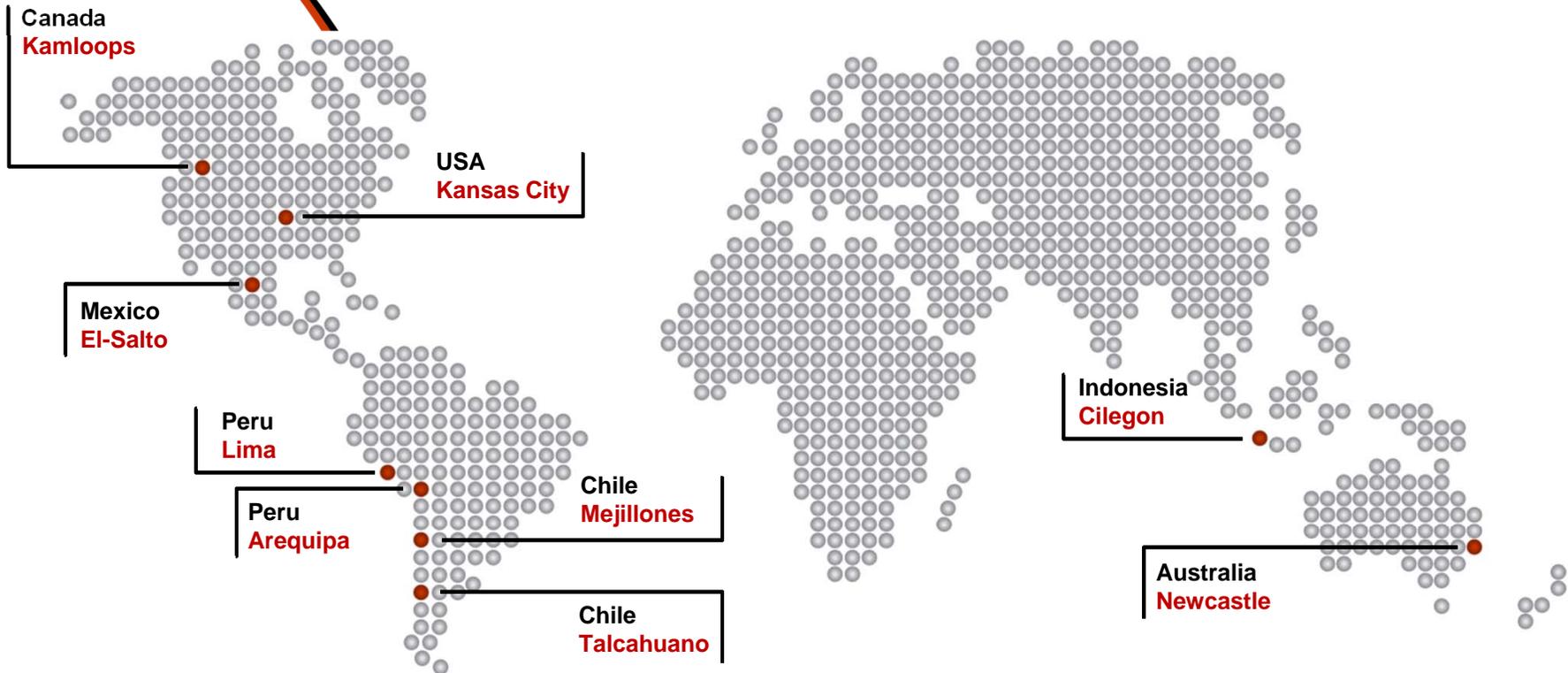
- Certainty of supply is critical for the continuity of mill operations
- Moly-Cop's international network of grinding media manufacturing facilities is well prepared to serve current and future customer demands - with timely and flexible deliveries, short supply chains to the customer - expanding production capacities in line with the projected industry growth
- Supply assurance is further strengthened by fostering collaborative relations with the work force and managing effective barstock supply chains



Helping customers do their job better:

- At Moly-Cop, we focus our day-to-day customer interactions much beyond the essential attributes of our products, aiming to provide them tailored technical support, helping them do their jobs better and effectively demonstrating that we are closer to them than any other supplier

Moly-Cop *Close to You*



Moly-Cop Close to You:

- Moly-Cop's international network of manufacturing facilities, strategically located close to the main sources of grinding media demand is a unique differentiating factor against all other remote competitors
- By being close to customers, Moly-Cop provides valuable assurance of high-quality grinding media with on-time, flexible supplies and personalized technical support





Moly-Cop's competitive advantage

Wear performance:

- Moly-Cop's media wear performance is consistently superior compared to other alternative products, whose quality may vary resulting in uncertainty for the customer
- Inferior product performance increases grinding media costs for customers
- To compete, competitors may be forced to reduce their prices

Assured, timely and flexible deliveries:

- Moly-Cop is located close to its customers, which assures timely and flexible delivery of products
- Competitors which are further away from the customer site may have longer supply chains, with purchasing cycles in excess of 4 months. Longer supply chains increase the risk of substantial delays
- New suppliers face higher risks of return when entering markets where demand is fully covered
- Moly-Cop is the only grinding media supplier able to offer strategic global customers the benefit of its global network by establishing long-term supply agreements



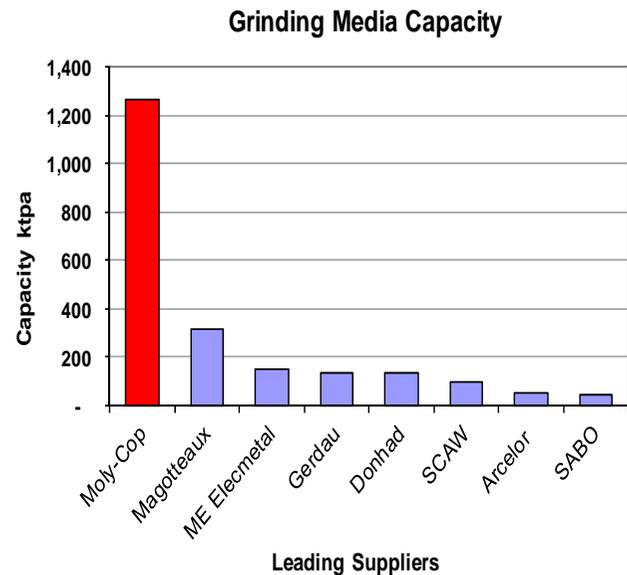
Unparalleled technical support:

- Moly-Cop's recognized capability to provide valuable customer tailored technical support is unparalleled by other competitors

Competition - global players



Moly-Cop has four times the installed capacity of the next largest competitor. All of this capacity is strategically located in key mining regions



Source: Moly-Cop

Magotteaux

- Magotteaux provides predominantly high-chrome cast balls
- There is limited overlap between Hi-Cr and forged media applications
- Magotteaux was recently acquired by Sigdo Koppers (owns Proacer and 55% of SABO, both local competitors to Moly-Cop Chile)

ME Elecmetal

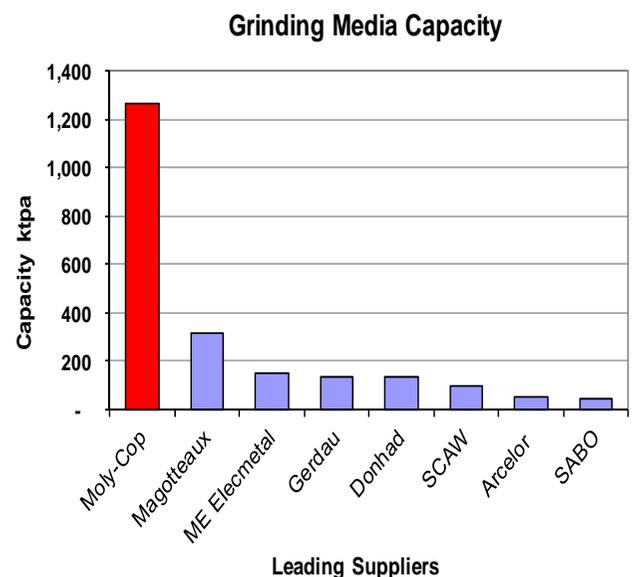
- Part of the Chilean Elecmetal Group
- A distributor of forged grinding media from China (Long Teng) to compliment their mill liners product offering





Competition - regional players

Moly-Cop has four times the installed capacity of the next largest competitor. All of this capacity is strategically located in key mining regions



Source: Moly-Cop



South America

- SABO – A forged steel media business with production facilities in Bilbao (Spain) and Antofagasta (Chile). Last January 2012, SABO sold 55% of their shares of the 45ktpa SABO-Chile operation to Sigdo Koppers (SK)
- Mepsa (Peru) - Cast steel media manufacturer of a limited size range of balls, located in Lima, Peru (~65ktpa ball casting capacity). Recently announced the installation of a ~20ktpa roll-forming line for the production of small size balls (up to 2”)

North America

- Arcelor Mittal (USA) - A small forged steel media manufacturer of a limited size range of balls, located outside El Paso, Texas (~50ktpa capacity)
- Gerdau (USA) - A forged steel media manufacturer of a limited size range of balls, located in Duluth, Minnesota (~130ktpa capacity)

Australasia

- Donhad (Australia) – A forged steel media manufacturer with three manufacturing facilities located in Australia (~130ktpa capacity). Valmont acquired 60% of Donhad in 2010 and the remaining 40% in 2011

Source: Moly-Cop estimates





Moly-Cop strengths

- Moly-Cop is a global leading player in a highly attractive industry with strong forecast demand growth and with a clearly differentiated position
- Moly-Cop is uniquely positioned to benefit from such projected demand growth, leveraged by our broad footprint of strategically located grinding media manufacturing facilities
- Differentiated capabilities relative to competitors: superior quality and product performance, supply assurance and highly valued technical support
- Long term, strategic alliances with key integrated and local steel bar suppliers
- Moly-Cop's installed capacity is about 4 times larger than its next largest international competitor, situated across 9 different locations close to the regions of primary grinding media demand
- Proven track record of expanding the business with actionable plans in place to meet future demand and proprietary metallurgical and engineering know-how
- Strong and highly experienced in-market management teams based close to customers

Moly-Cop highlights



The acquired Moly-Cop businesses completed their first year in the OneSteel Mining Consumables division

- The integration of the two organisations has brought very positive, synergistic cultural changes
- We are now a stronger, broader ensemble of business units focused on serving customers with the best available products, services and personalised technical support
- We are now facing a very promising future of demand growth that will draw on our best capabilities to capture growth over the next 5 years

Moly-Cop highlights



+MAS Group:
Technology
Development & Best
Practice Exchange

- Merging the talents and experience of two groups that grew independently facing similar technological challenges and that now have the unique opportunity to share and learn together

Moly-Cop highlights



2010 Chilean earthquake recovery

- The strength of the Moly-Cop network was clearly demonstrated following the February 2010 earthquake in southern Chile
- In spite of the fact that all three existing lines were back in operation by June 30th, the lack of raw materials could only be overcome thanks to contingency supplies from related Moly-Cop units, like Canada, Mexico and Peru
- No Moly-Cop Chile customer was left unattended
- All facilities have now been reconstructed to an even superior level than before the earthquake

Moly-Cop highlights



2010 Chilean earthquake recovery – rebuilt & improved

Moly-Cop highlights



2010 Chilean earthquake recovery – rebuilt & improved

Moly-Cop highlights



2010 Chilean earthquake recovery – rebuilt & improved

Moly-Cop highlights



Re-inauguration of Talcahuano facilities – 3 generations of leadership



Moly-Cop Regions

Jaime Sepulveda, Moly-Cop Global Leader & President Moly-Cop South America
John Barbagallo, General Manager Moly-Cop Australasia



Moly-Cop South & North America

Jaime Sepulveda, Moly-Cop Global Leader & President Moly-Cop South America



Moly-Cop South America demand

Drivers of Demand

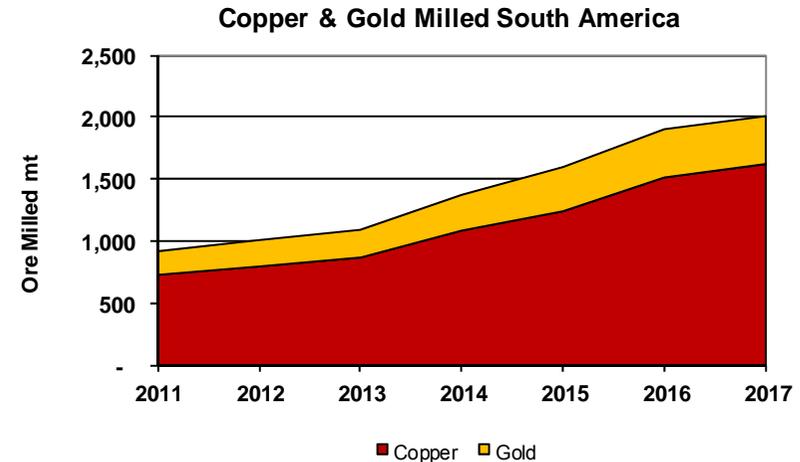
- Grinding media demand is driven by ore milled predominantly in the production of copper and gold
- Mine expansions and greenfield mining projects have historically resulted in significant growth in ore milled – forecast to double by 2017 (Source: Wood Mackenzie)
- Wood Mackenzie has forecast copper ore milled to grow by CAGR 14.3% from 2011 – 2017 and gold ore milled to grow by CAGR 12.5% for the South American regions
- Peru is currently the third largest producer of mined copper in the world and is forecast to contribute 35% of global incremental mine production from total projects during 2015-2017 (Source: Wood Mackenzie)

Market Conditions

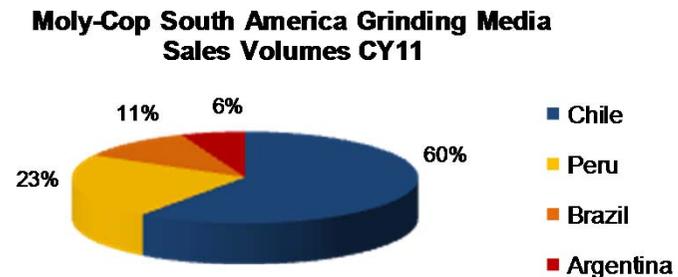
- Moly-Cop South America comprises the markets of Chile, Argentina, Brazil and Peru, with a market size for forged grinding media of ~600 – 700ktpa
- Market conditions remain buoyant due to high commodity prices and is expected to see significant growth out to 2017
- Chile is the largest region for sales volumes in South America, followed by Peru. It is expected that Peruvian sales volumes will comprise a greater proportion of the mix towards 2015 driven by significant mine expansion projects

Market Position

- Moly-Cop has leading market positions in throughout South America and is well prepared to service the growth in these markets through existing capacity in the short to medium term, as well as the approved expansion in Lima, Peru, adding ~40ktpa



Source: Wood Mackenzie



Source: Moly-Cop

onesteel

Moly-Cop South America growth



Region	Mine Project	Status	Start-up Year
Chile	Anglo Confluencia	Operational	FY2012
	Escondida Laguna Seca	Under Construction	FY2013
	VALE Salobo I	Under Construction	FY2013
	Pascua Lama	Under Construction	FY2014
	Caserones	Under Construction	FY2014
	CODELCO MMH	Under Construction	FY2014
	Minas Rio	Under Construction	FY2014
	MMX	Under Construction	FY2015
	Sierra Gorda	Board Approved	FY2015
	Andacollo Expansion	Board Approved	FY2015
Peru	Antamina Expansion	Under Construction	FY2013
	Antapacay	Under Construction	FY2013
	Toromocho	Under Construction	FY2015
	Minas Conga	Board Approved	FY2016
	Magistral	Temp Onhold	FY2015
	Las Bambas	Board Approved	FY2015
	Toquepala Expansion	Board Approved	FY2015
	Mirador	Permitting	FY2015

- Moly-Cop estimates the indicative additional grinding media demand growth in FY16 to be ~385ktpa with respect to current demand levels



Moly-Cop North America demand

Drivers of Demand

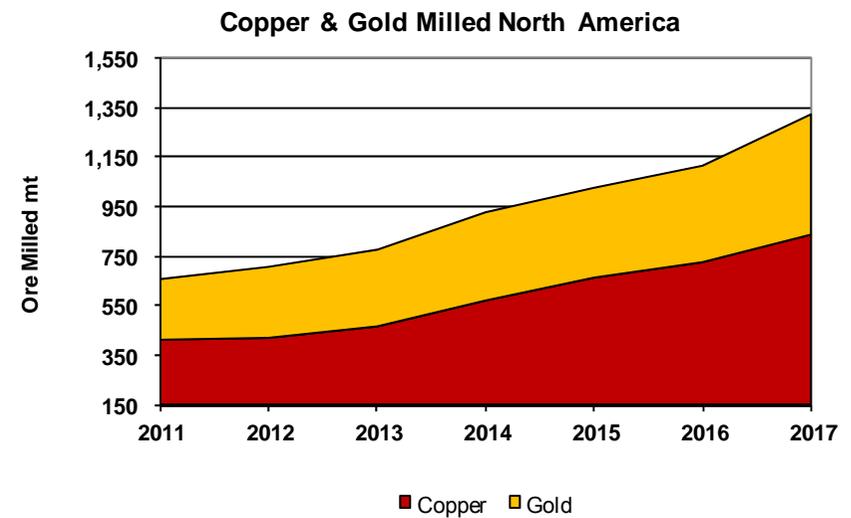
- Grinding media demand is driven by ore milled, predominantly in the production of copper and gold
- Mine expansions and greenfield mining projects have historically resulted in significant growth in ore milled
- Wood Mackenzie has forecast copper ore milled to grow with a CAGR of 12.5% from 2011 – 2017 and gold ore milled to grow by a CAGR of 12.1% for the North American regions

Market Conditions

- Moly-Cop North America comprises the markets of Canada, USA, and Mexico/Caribbean with a market size of ~500 – 600ktpa

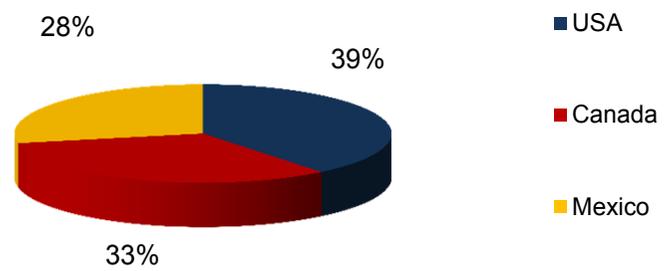
Market Position

- Moly-Cop has leading market positions in Canada, the USA and Mexico and is well prepared to service the growth in these markets with existing capacity in the short to medium term



Source: Wood Mackenzie

Moly-Cop North America Grinding Media Sales Volumes CY11



Source: Moly-Cop





Moly-Cop North America growth

Region	Mine Project	Status	Start-Up
Canada	New Afton	Under Construction	FY2013
	Detour Lake	Under Construction	FY2013
	Thompson Creek - Mt Milligan	Under Construction	FY2014
	Taseko – Gibraltar Phase 3	Under Construction	FY2014
	Red Chris	Feasibility/Permitting	FY2015
	KGHM - Ajax	Feasibility/Permitting	FY2016
USA	Freeport – Climax Leadville	Commissioned	FY2012
	BHPB – Pinto Valley (Re-start)	Approved	FY2013
	Augusta - Rosemont	Feasibility/Permitting	FY2014
	Morenci Expansion	Feasibility/Permitting	FY2015
	Mt Hope	Feasibility/Permitting	FY2016
Mexico & Caribbean	Cananea (Re-start & Exp)	Under Construction	FY2014
	Paredones – Amarillo	Under Construction	FY2013
	Pueblo Viejo	Under Construction	FY2013
	Cobre Panama	Feasibility/Permitting	FY2016

- Moly-Cop estimates the indicative additional grinding media demand growth in FY16 ~210ktpa with respect to current demand levels



Moly-Cop Australasia

John Barbagallo, General Manager Moly-Cop Australasia



Moly-Cop Australasia demand

Drivers of Demand

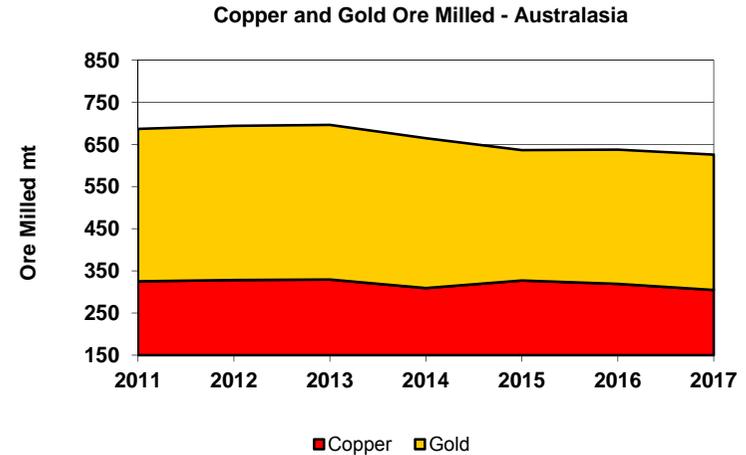
- Grinding media demand is primarily driven by copper and gold production, mine expansions and greenfield mining projects
- Wood Mackenzie has forecast copper ore milled to fall by CAGR 1.0% from 2011 – 2017 and gold ore milled to fall by CAGR 2.0% for the Australasian region

Market Conditions

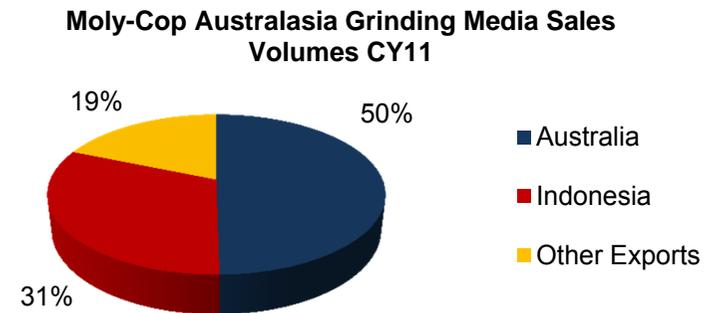
- Moly-Cop Australasia comprises the markets of Australia, Indonesia, New Zealand, Philippines and PNG with a market size of ~330-350ktpa
- Market conditions remain solid, though no new large mines are planned in the next three years
- Pending magnetite projects offer potential significant growth

Market Position

- Moly-Cop has leading market positions in Australasia and is well prepared to service the growth in these markets with existing capacity in the short to medium term



Source: Wood Mackenzie



Source: Moly-Cop



Strategic Focus & Outlook

Andrew Roberts, Chief Executive Mining Consumables

Strategic focus



Current opportunities - immediate focus on in-country organic growth

- Deliver value by capturing the expected market growth for grinding media in the current regions of North & South America, and maintain our strong position in Australasia
- Deliver value by capturing the expected market growth for mining rope in Australia
- Board approval finalised for additional capacity expansions in Lima, Peru and Cilegon, Indonesia, totalling ~90ktpa in 2013 - 2014 at a combined cost of ~A\$36m
- Board approval finalised for the purchase of land adjacent to the current Moly-Cop Canada (Kamloops) facility for a proposed ~110ktpa of large diameter (SAG) grinding media
- Plans developing for further brownfield/greenfield capacity expansions
- Deliver improved and sustainable performance from AltaSteel

New opportunities – medium term focus

- Expanding geographically with current products
- New products in mineral processing and mineral extraction



Outlook



Short term

- Mining Consumables markets expected to be strong with stable margins
- Acquired Moly-Cop businesses are performing well and expected to benefit from these strong markets
- Improved performance from the Australian business expected to continue

Long term

- Positive outlook for Mining Consumables business underpinned by the copper, gold and iron ore sectors including strong mining activity and investment
- Moly-Cop has good visibility of new mining projects that will increase the demand for grinding media and estimates
 - Volume growth of grinding media market in South America ~8% CAGR from FY12 to FY14 and ~12% from FY12 – FY16
 - Volume growth of grinding media market in North America ~8% CAGR from FY12 to FY14 and ~9% from FY12 – FY16

Summary



- Mining Consumables delivered a solid and improved result in 1H12
- Strong growth forecasts for copper, gold and iron ore has started to increase demand for grinding media and is expected continue over the medium to long term
- Moly-Cop is the largest global grinding media manufacturer and has strong market positions in South & North America and Australasia
- Moly-Cop is well positioned in South & North America and Australasia to capture a significant part of the market growth in grinding media with strong customer relationships
- Moly-Cop is a strong foundation for the Mining Consumables strategy
- Future growth potential via new grinding media regions and new products for mineral processing and mineral extraction



Appendix

Financial overview



Half-year ended 31 December ¹	2011 \$m	2010 ² \$m
Total Revenue/Income	768.4	338.9
EBITDA	81.3	31.2
EBIT	65.2	21.1
Sales Margin	8.5%	6.2%
Assets	2,312.8	2,421.0
Funds Employed	1,975.3	2,052.2
Return on funds employed	6.7%	2.7%
Employees (number)	1,976	1,836.0
External tonnes despatched (mt) ³	0.53	0.19

¹ Segment results are those reported in the 2012 Half Year Financial Report. They are equivalent to segment underlying results. For a reconciliation of consolidated underlying to statutory results for the half year to 31 December 2011, refer to OneSteel's 2012 Half Year Financial Results announcement released to the ASX on 21 February 2012

² The December 10 results for the Manufacturing and Mining Consumables segments have been restated to reflect changes in organisation structure following the formation of the new Mining Consumables segment as a result of the acquisition of the Moly-Cop Group on 31 December 2010. OneSteel's existing Waratah, Newcastle facilities, which include the grinding media and rail wheel businesses, OneSteel's grinding media businesses in the United States and Indonesia, and the Wire Ropes business at Newcastle previously reported as part of the Manufacturing segment now form part of the Mining Consumables segment

³ Excludes scrap

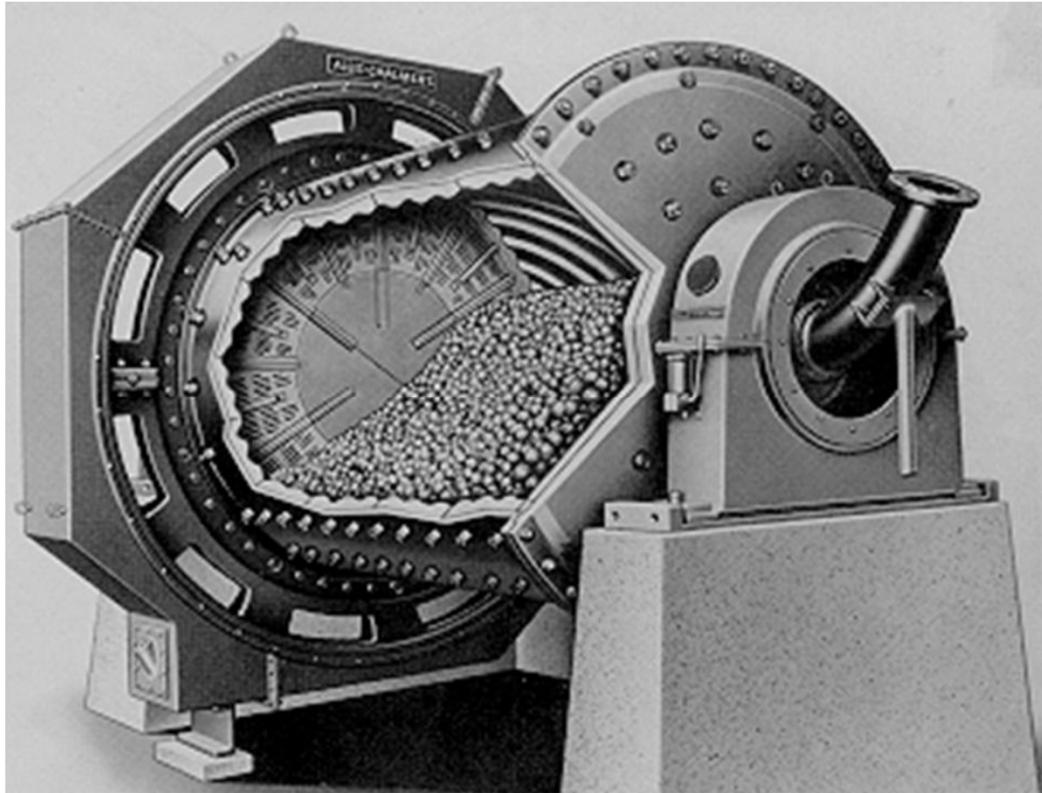


Moly-Cop history

- In the 1930s, Armco's Sheffield Steel of Kansas City produced the first heat-treated grinding ball alloyed with molybdenum and copper. The new ball significantly improved wear performance versus the quality levels of that time, and was patented and appropriately trademarked as Moly-Cop®
- In 1961, Armco built its first grinding ball forging operation outside the USA - now known as Moly-Cop Chile. This began several decades of growth to build the international Moly-Cop business with grinding ball plants located strategically around the world to include Chile, Peru, Mexico, and Canada
- In 2001, then owner GS Industries went into bankruptcy and sold the international Moly-Cop businesses to Anglo's Scaw Metals in 2002. The original Kansas City ball plant restarted as an independent company in 2003 and became part of OneSteel in 2007
- With OneSteel's acquisition of Moly-Cop, Kansas City has been reunited with the businesses it helped build, further enhancing the strength and depth of the new Moly-Cop organisation

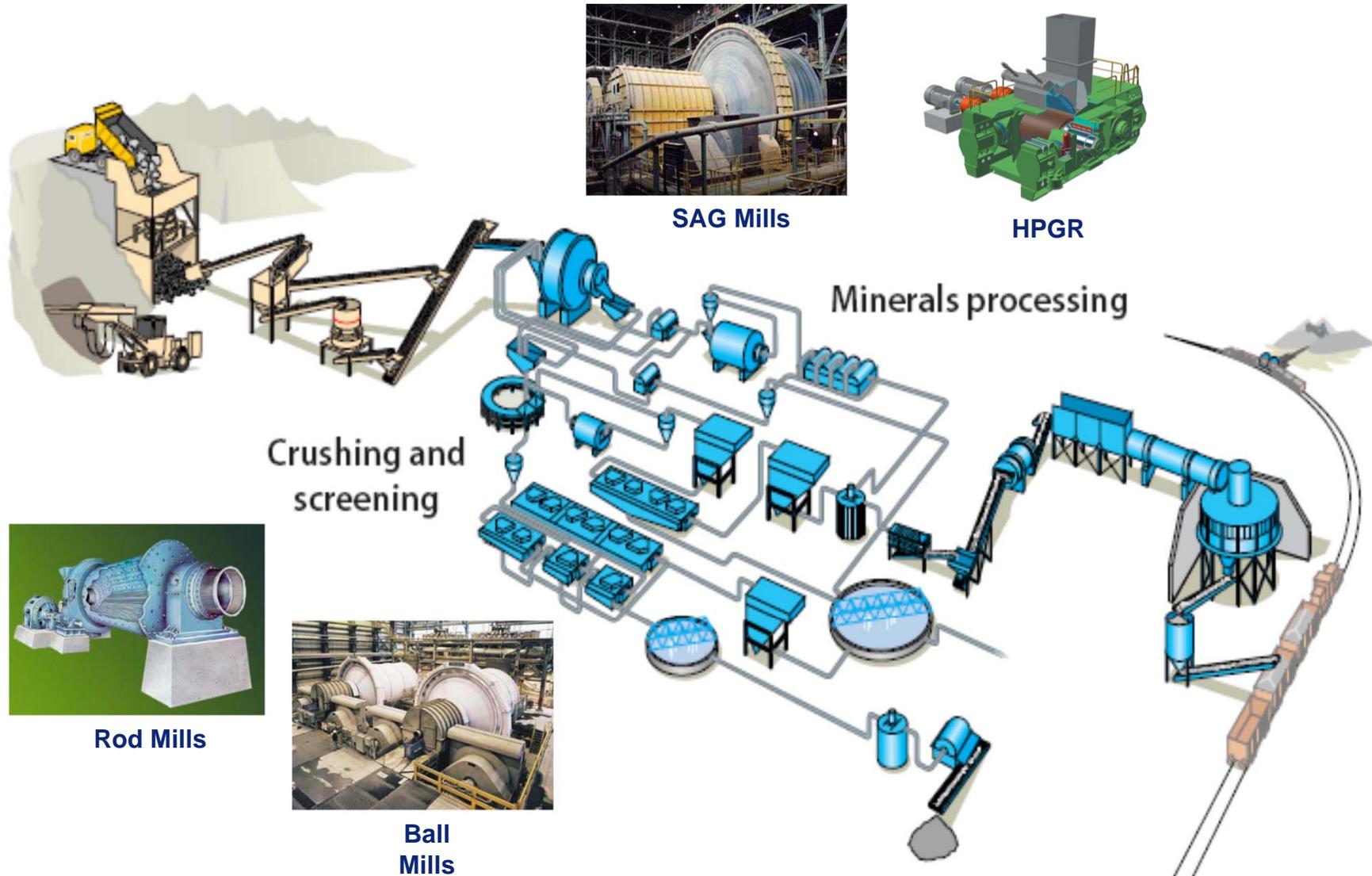


Grinding media fundamentals: Grinding media - a key mining consumable

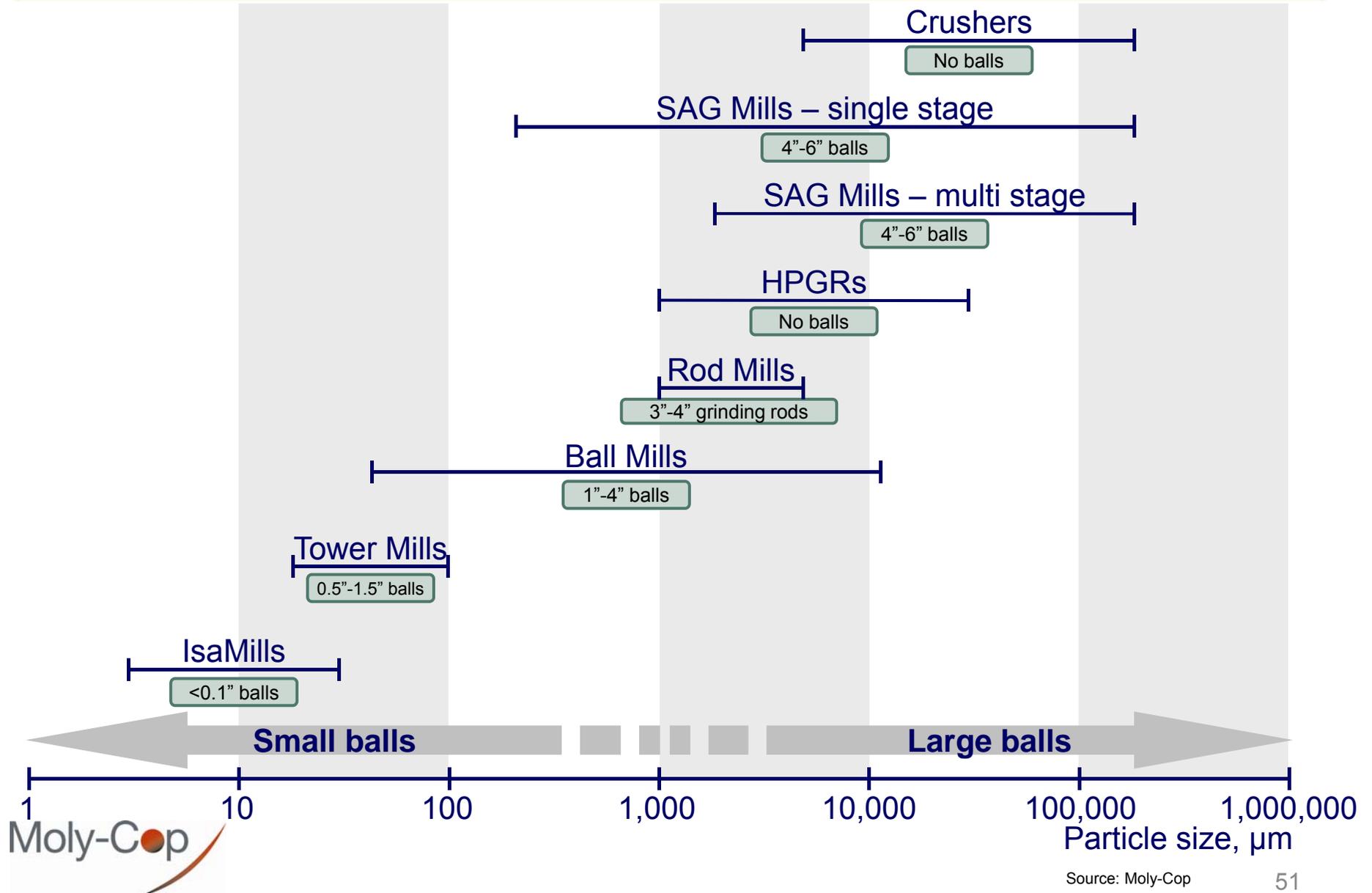


- Grinding media are used in the process of extracting minerals from ore, particularly in the fast growing copper and gold industries
 - Ore particles must be ground down to sufficiently small sizes so the contained metal species become 'liberated'; i.e. free from gangue materials, prior to subsequent concentration processes
 - Grinding is carried out in large horizontal tumbling mills, partially filled with steel balls or rods (grinding media)
-
- Mills require continuous refilling with new grinding media as they get consumed
 - Consumption of grinding media is related primarily to the volume of ore processed and ore characteristics (abrasiveness, particle size and specific energy input)

Grinding media fundamentals: Typical grinding circuits



Grinding media fundamentals: Grinding media usage





Types of grinding media

Source	Product	Manufacturing Process	Main Applications	Suppliers	Media Size			Relative Wear*
					Small (10%)	Medium (60%)	Large (30%)	
Steel Balls		Forged	Copper, Gold, Fe Ore & Polymetallics	Moly-Cop, Gerdau (USA), Sabo (Chile), Arcelor (USA), Chinese Suppliers		X	X	100
		Cast	Copper, Gold, Fe Ore & Polymetallics	Proacer (Chile) Mepsa (Peru)		X		105 - 115

Cast Iron Balls		Cast High Chrome	Cement, Coal, Industrial Metals, & Fe Ore	Magotteaux , Vega Chinese Suppliers	X	X		30 - 75
		Iron	Regrinds, Tower Mills, and Fine Grinding	Doering (Germany) Others (Brazil)	X			150 - 200

Source	Products	Process	Main Grinding Applications	Suppliers	Rod Type		Relative Wear
					2" – 3"	3" – 4"	
Steel Rods		High Carbon (green)	Rod Mills	CAP (Chile) SIDER (Peru)	X	X	100
		Heat Treated	Rod Mills	AltaSteel		X	70 - 85

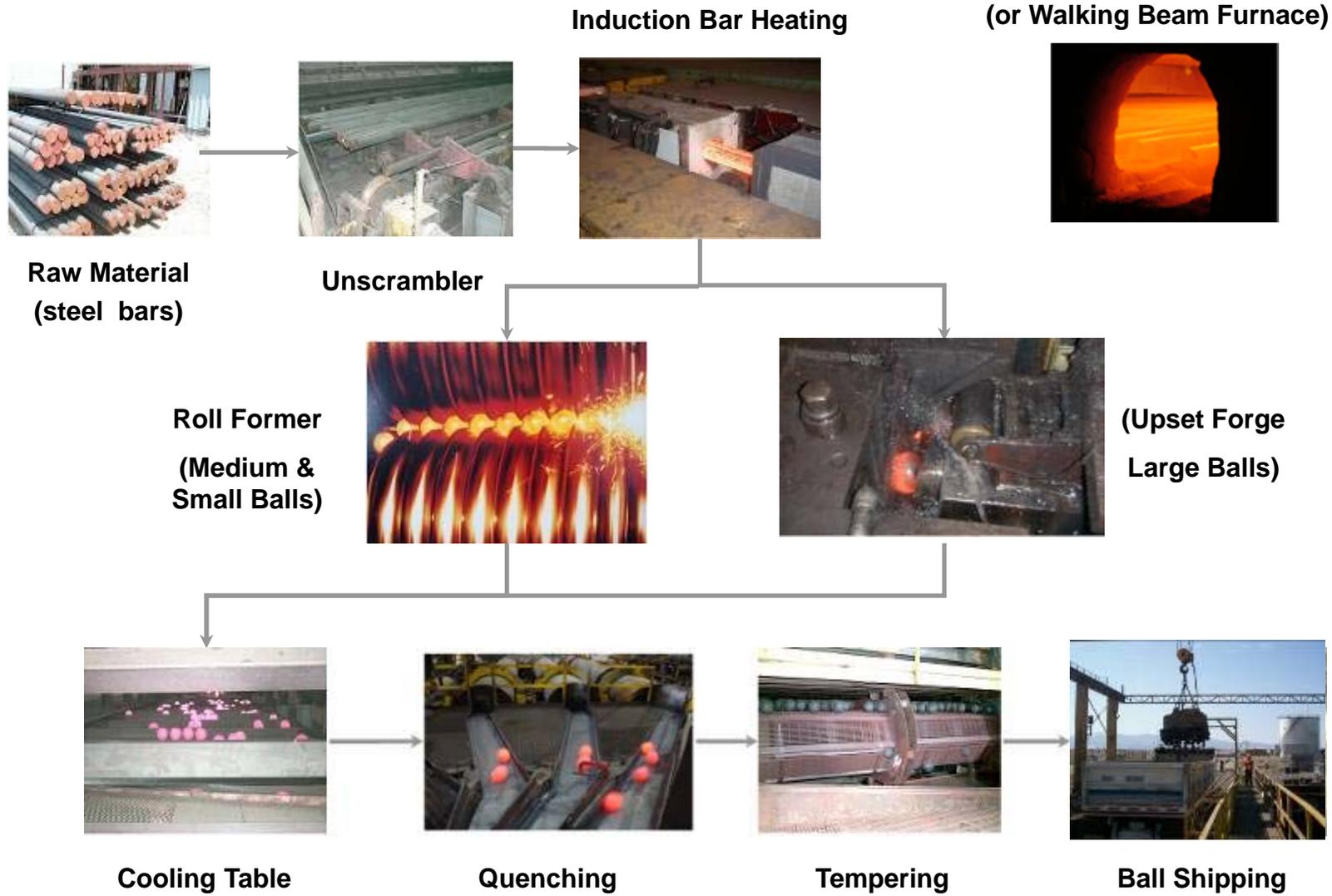
* The lower the relative wear rate the longer the life of the ball



Types of grinding media

- Despite their relative higher price, Forge Balls are 'cost-effective' due to 10-15% improved wear performance, as compared to Steel Cast Balls
- Cast Balls are limited in size up to 3.5" diameter, as they can not sustain the high-impact environments characteristic of semiautogenous grinding applications (SAG) where larger ball diameters are required
- Because of their much higher relative price, High Chrome Cast Balls have a narrow field of application in cement grinding and ultrafine wet regrinding operations where corrosion may be the predominant wear mechanism
- Small Cylpebs (<1") have been shown to be effective in ultrafine wet regrinding operations
- A typical, modern grinding circuit will roughly consume 30-40% large balls (>4"), 40-50% medium size balls (2" - 3.5") and the balance of small balls (< 2")
- Rod mills have been gradually displaced by SAG mills for the grinding of intermediate ore particle sizes (2" down to 1/4"), but those existing units are expected to continue to operate for the life of the mine where they were originally installed
- Likewise, in some few cases, HPGR's have been displacing SAG mills in process designer preferences, but not to the extent that SAG media demand will cease to grow and much less that existing SAG mills will cease to operate

Forged manufacturing process





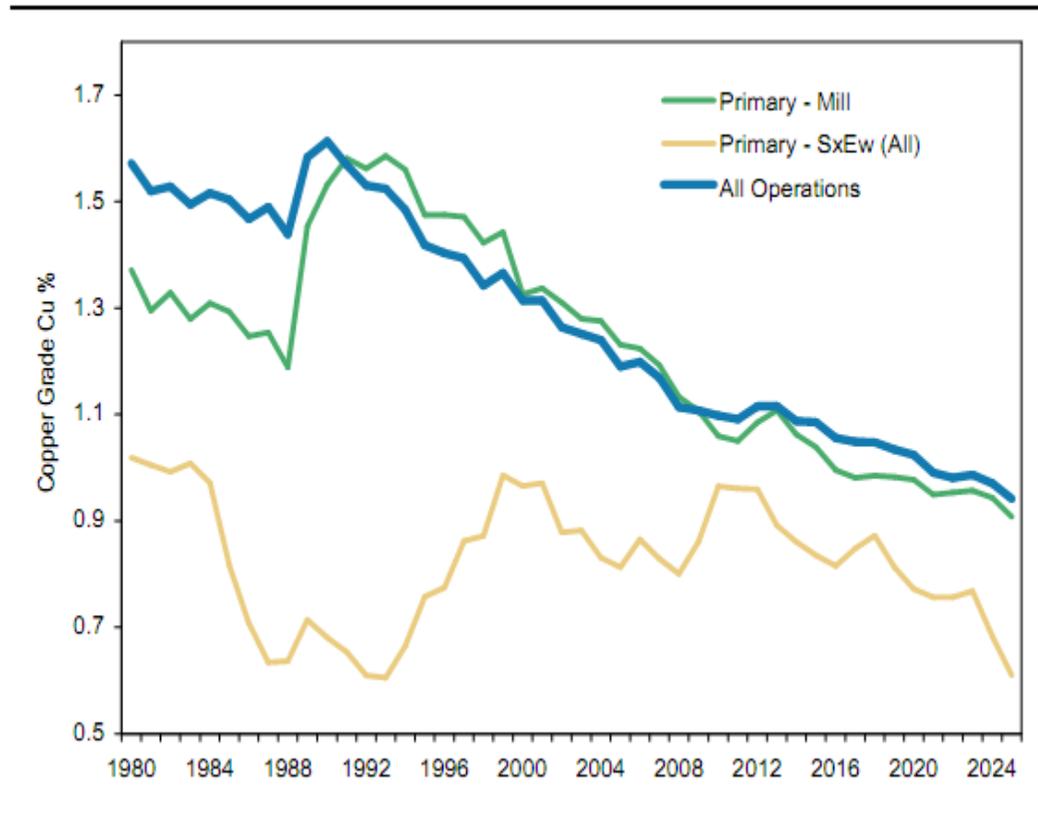
CRUspi Longs index

- CRU is an independent, privately owned, business analysis and consultancy group focused on the mining, metals, power, cables, fertilizer and chemical sectors
- Of particular interest to Moly-Cop's business, CRU publishes a series of Steel Price Indices (CRUspi) intended to monitor the evolution of selected groups of steel product prices in various international markets
- CRUspi Indices are constructed from actual information of numerous commercial transactions worldwide, following standardized surveying methodologies
- CRUspi indices are published on a regular basis; the first Wednesday of every month
- Since 2004, Moly-Cop has been using the CRUspi Longs Index as a reference for periodic price updating of both steel purchasing and grinding media sale contracts
- The consistent application of the CRUspi Longs Index has allowed Moly-Cop to engage into long-term, variable pricing purchase/sale agreements
- It should be noted that the CRUspi Longs Index will be fully representative for Moly-Cop as long as such reference is accepted by its main bar suppliers. When bar suppliers, accept this reference, they are in practice committing to maintain a certain level of longer-term competitiveness in the international markets and so do Moly-Cop with our customers

Copper – forecast head grades



Declining copper head grades



Source: Brook Hunt, Morgan Stanley Research

Copper head grade is forecast to decline which will increase demand for grinding media





Moly-Cop South America

Peru	
Facilities	<ul style="list-style-type: none"> Arequipa Lima
Capacity*	Total: ~115ktpa
Employees	<ul style="list-style-type: none"> Arequipa - 39 Lima - 58
Market Position	<ul style="list-style-type: none"> 1st >60% market share
Major Supplier	<ul style="list-style-type: none"> Sider Peru
Major Customers	<ul style="list-style-type: none"> Cerro Verde Antamina Yanacocha SPCC
Competition	In-market <ul style="list-style-type: none"> Mepsa Imports <ul style="list-style-type: none"> Chinese

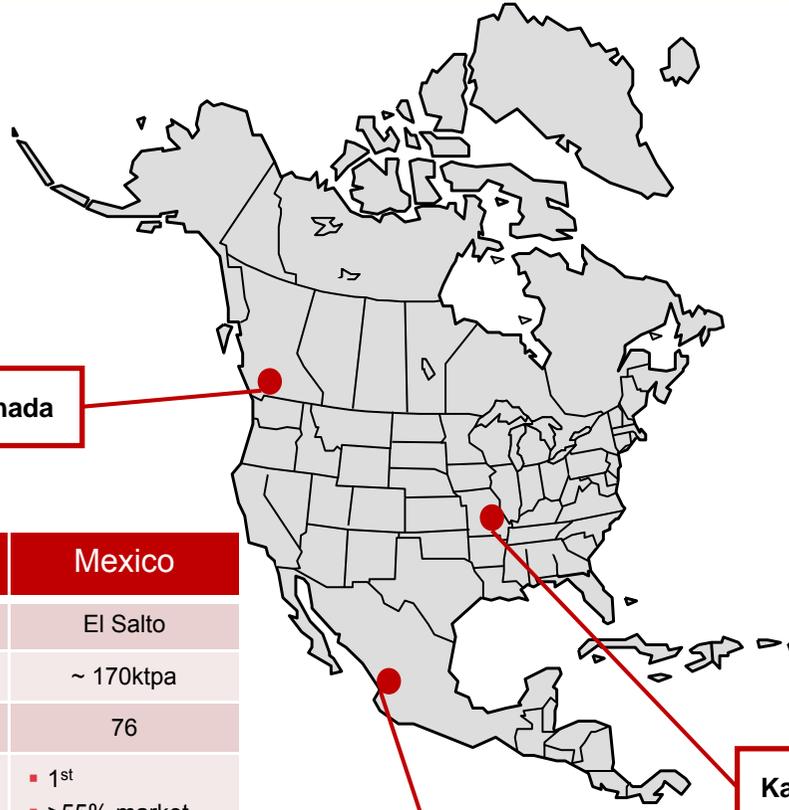
*Excludes Board approved expansion in Lima, Peru of ~40ktpa



Chile	
Facilities	<ul style="list-style-type: none"> Mejillones Talcahuano
Capacity	Total: ~430ktpa
Employees	<ul style="list-style-type: none"> Mejillones - 73 Talcahuano - 93
Market Position	<ul style="list-style-type: none"> 1st >60% market share
Major Supplier	<ul style="list-style-type: none"> CAP
Major Customers	<ul style="list-style-type: none"> Collahuasi Escondida Codelco AMSA Candelaria Alumbreira Kinross
Competition	In-market <ul style="list-style-type: none"> SABO Proacer Imports <ul style="list-style-type: none"> Mepsa (Peru) Chinese



Moly-Cop North America



	Canada	USA	Mexico
Facility	Kamloops	Kansas City	El Salto
Capacity	~ 115ktpa	~ 180ktpa	~ 170ktpa
Employees	58	60	76
Market Position	<ul style="list-style-type: none"> 1st >55% market share 	<ul style="list-style-type: none"> 1st ~40% market share* 	<ul style="list-style-type: none"> 1st >55% market share
Major Customers	<ul style="list-style-type: none"> Highland Valley Gibraltar Mines Agnico Eagle Thompson Creek 	<ul style="list-style-type: none"> Newmont Freeport Barrick Asarco 	<ul style="list-style-type: none"> Grupo Mexico Gold Corp Penoles
Competitors***	<ul style="list-style-type: none"> Gerdau (I) Magotteaux ME Elecmetal (I) 	<ul style="list-style-type: none"> Gerdau Magotteaux Arcelor Mittal ME Elecmetal (I) 	<ul style="list-style-type: none"> Arcelor Mittal Magotteaux (I) Oberen

Kansas City, USA

El-Salto, Mexico**

*Includes USA and associated export markets

**Guadalajara site was decommissioned in Dec 11

***(I) denotes importer into that region



Moly-Cop Australasia

Cilegon, Indonesia

Indonesia	
Facility	Cilegon
Capacity*	~30ktpa
Employees	50
Market Position	<ul style="list-style-type: none"> • 1st • >90% market share (Indonesia)
Major Supplier	<ul style="list-style-type: none"> • OneSteel Waratah • Krakatau Steel
Major Customers	<ul style="list-style-type: none"> • PT Freeport • PT Newmont Nusa Tenggara
Competition	<ul style="list-style-type: none"> • Imports China



Newcastle, Australia

Australia	
Facility	Waratah, Newcastle
Capacity	~250ktpa
Employees	85
Market Position	<ul style="list-style-type: none"> • 1st • ~40% market share (Australia)
Major Supplier	<ul style="list-style-type: none"> • OneSteel Waratah
Major Customers	<ul style="list-style-type: none"> • Newmont • Barrick Gold • Oz Minerals • Oceana Gold
Competition	<ul style="list-style-type: none"> • Donhad • Imports China • Imports Magotteaux



*Excludes Board approved expansion in Cilegon, Indonesia of ~50ktpa

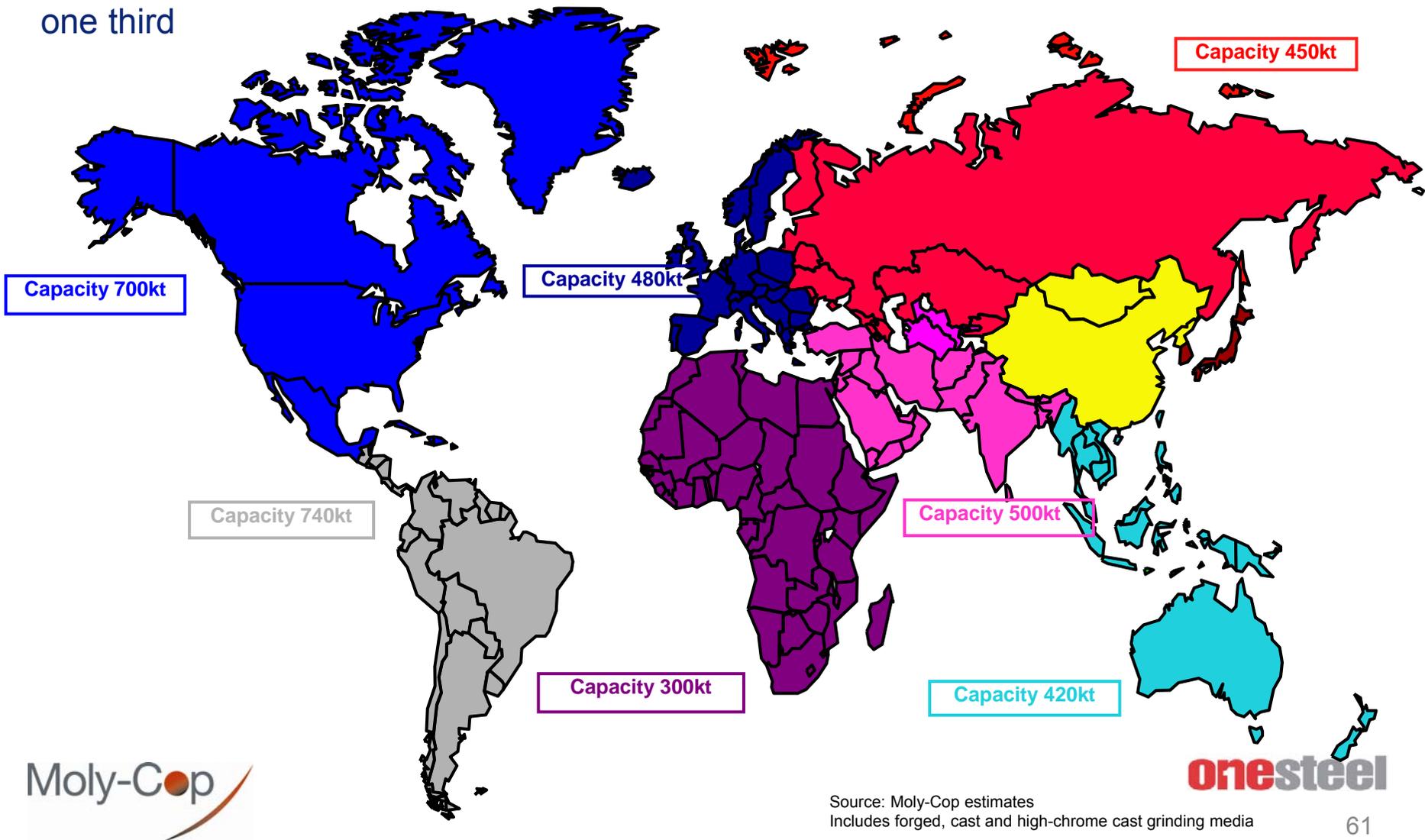




Grinding media global capacity

Total installed nameplate capacity 2010 – 3.6 million tonnes (excluding China)

Moly-Cop estimates it's share of global capacity (excluding China) is approximately one third



Source: Moly-Cop estimates
Includes forged, cast and high-chrome cast grinding media



Mining Consumables

Pro forma FY11	Total Mining Consumables ¹
Revenue	AUD ~\$1.5b ²
Total sales tonnes	~1.2mt
Grinding ball sales tonnes	~900kt
Grinding rod sales tonnes	~50kt
Customers	Top 20 customers represent >55% of volume
Products	Grinding ball, grinding rod, wire rope, rail wheels and axles, grinding bar (feed), rebar and floatation chemicals
Facilities	12
Grinding media capacity*	~1.3mtpa
Steelmaking capacity	~630ktpa
Rolling mill capacity	~600ktpa
Employees	~2,000

*Excludes Board approved expansions of Lima, Peru and Cilegon, Indonesia totalling ~90ktpa

¹Metrics are the aggregated performance of OneSteel Mining Consumables for the period 1 July 2010 to 30 June 2011 plus the performance of the Moly-Cop and AltaSteel businesses purchased by OneSteel on 31 December 2010 in the period from 1 July 2010 to 31 December 2010

²This is a non-statutory financial measure and is used to represent a full financial year's revenue for the businesses currently making up the OneSteel Mining Consumables segment (including those businesses acquired by OneSteel on 31 December 2010). It is derived from the total revenue of the OneSteel Mining Consumables segment for FY 2011 (excluding inter-segment sales) plus the total revenue for the businesses acquired by OneSteel on 31 December 2010 for the period 1 July 2010 to 31 December 2010



Moly-Cop Australasia (Grinding, Rail & Ropes)

John Barbagallo, General Manager Moly-Cop Australasia

22 March 2012



onesteel



This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of OneSteel and certain plans and objectives of the management of OneSteel. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. All such forward looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies and other factors, many of which are outside the control of OneSteel, which may cause the actual results or performance of OneSteel to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward-looking statements speak only as of the date of this presentation. Factors that could cause actual results or performance to differ materially include without limitation the following: risks and uncertainties associated with the Australian and global economic environment and capital market conditions, the cyclical nature of the steel industry, the level of activity in the construction, manufacturing, mining, agricultural and automotive industries in Australia and North and South America and, to a lesser extent, the same industries in Asia and New Zealand, mining activity in the Americas, commodity price fluctuations, fluctuations in foreign currency exchange and interest rates, competition, OneSteel's relationships with, and the financial condition of, its suppliers and customers, legislative changes, regulatory changes or other changes in the laws which affect OneSteel's business, including environmental laws, a carbon tax, mining tax and operational risk. The foregoing list of important factors is not exhaustive. There can be no assurance that actual outcomes will not differ materially from these statements.

Contents



- OneSteel Grinding & Rail John Barbagallo
- OneSteel Wire Ropes John Barbagallo
- Appendix



OneSteel Grinding & Rail

John Barbagallo, General Manager Moly-Cop Australasia



onesteel

Segment structure



Mining	Mining Consumables	Australian Steel		Recycling
		Manufacturing	Australian Distribution	
Iron ore mines Middleback Ranges Iron ore lump Iron ore fines Lower grade ore Pellet plant Southern Iron Dolomite mines	Moly-Cop Moly-Cop North America USA Canada Mexico Moly-Cop South America Chile Peru Moly-Cop Australasia Australia Indonesia Waratah Steel Mill EAF Bar Mill Rail & Forge Wire Ropes AltaSteel EAF, Rolling Mill	Whyalla Steelworks Structural Rolling Mills Rail Products Facilities Slabs & Billets Steelmaking by-products (e.g. coke) Laverton Steel Mill Sydney Steel Mill Wire Mills Newcastle Rod Mill Australian Tube Mills	ARC - Australian Reinforcing Company OSR - OneSteel Reinforcing Merchandising Metaland/Steel & Tube	Australian Recycling International Recycling Asia USA

New Zealand Distribution segment not shown (represents OST's 50.3% shareholding in Steel & Tube Holdings Limited)





Moly-Cop Australasia - Grinding media

Cilegon, Indonesia

Indonesia	
Facility	Cilegon
Capacity*	~30ktpa
Employees	50
Market Position	<ul style="list-style-type: none"> • 1st • >90% market Share (Indonesia)
Major Supplier	<ul style="list-style-type: none"> • OneSteel Waratah • Krakatau Steel
Major Customers	<ul style="list-style-type: none"> • PT Freeport • PT Newmont Nusa Tenggara
Competition	<ul style="list-style-type: none"> • Imports China



Newcastle, Australia

Australia	
Facility	Waratah, Newcastle
Capacity	~250ktpa
Employees	85
Market Position	<ul style="list-style-type: none"> • 1st • ~40% market share (Australia)
Major Supplier	<ul style="list-style-type: none"> • OneSteel Waratah
Major Customers	<ul style="list-style-type: none"> • Newmont • Barrick Gold • Oz Minerals • Oceana Gold
Competition	<ul style="list-style-type: none"> • Donhad • Imports China • Imports Magotteaux



*Excludes Board approved expansion in Cilegon, Indonesia of ~50ktpa



Existing grinding media capacity



Waratah

- Bar feed from Waratah Bar Mill
- No. 3 Ball Plant (Small Ball)
 - Induction coil heating, two continuous lines
 - Roll Forging – 25mm – 80mm diameter balls
 - Maximum capacity of ~150ktpa
- No.4 Ball Plant (SAG Ball)
 - Natural gas fired furnace heating
 - Die forging 80mm – 150mm diameter balls
 - Maximum capacity of ~100ktpa



Cilegon

- Bar feed from Krakatau Steel, Waratah and Laverton
- No. 6 Ball Plant (Small Ball)
 - Commissioned in 1998
 - Natural gas fired furnace heating
 - Single line roll former - 25mm to 50mm balls
 - Maximum capacity of ~30ktpa
- Predominantly supplying Freeport and a number of smaller mines





Indonesian expansion – phase 1

Investment Information

- Cilegon phase 1 expansion – Project Adik (Younger Sibling)
- New site is close to existing Cilegon facility (within 1 km)
- Capability to produce larger grinding media in the 50mm to 94mm size range
- Nominal new plant capacity of ~50ktpa
- Current facility produces 25mm to 50mm balls with ~30ktpa capacity
- Utilising technology from within the Moly-Cop Group



Milestones

- Engineering design completed in February 2012
- Awarded design & construct contract in February 2012
- Construction activities to commence July 2012
- Main building complete in April 2013
- Commence mechanical & electrical installation in February 2013
- Hot commissioning scheduled for December 2013





Moly-Cop Australasia (Rail and Forge)



Australia	
Facilities	Steelmaking – Ingots Rail Products Forge
Capacity	~105,000 wheels ~10,000 axles ~10ktpa forge
Employees	Rail – 220 Forge - 30
Market Position	Market leader (1 st) >80% heavy haul wheels ~60% customer ingots ~100% cold mill rolls (in Australia) >90% cast rounds (Al smelters)
Major Suppliers	Waratah Steelmaking External axle supply
Major Customers	Queensland Rail Pacific National Downer United Group Limited (Rail) Bradken Transnet (South Africa) BHP Iron Ore Pilbara Iron FMG
Competitors	Imports China Imports Europe



Rail Products



- Ingots from Waratah steelmaking plant
- Cold sawn to size for feed material
- Reheated to 1150C in rotary furnace
- Forged and rolled to wheel shapes
- Heat treated and tempered
- Machined, inspected and packaged
- Products include;
 - Loose wheels
 - Loose axles
 - Wheel sets
- ~105,000 Wheels total capacity
- Recent upgrade included
 - Installed 5 new Diato automated saws
 - Additional heat treatment furnace
 - New CNC No 3 wheel machining centre
 - Additional crane in steelmaking for ingot handling
 - Association of American Railroads Accreditation (AAR)



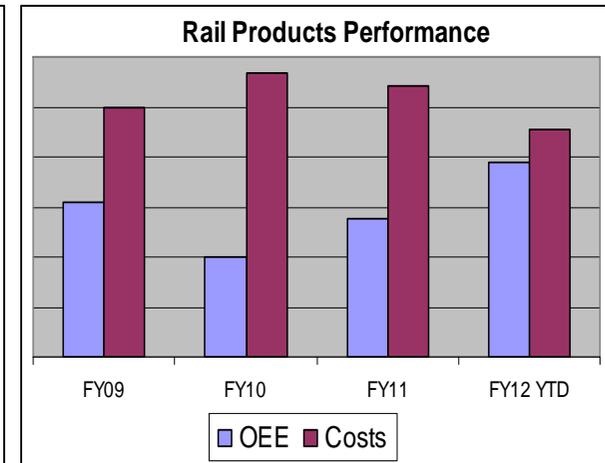
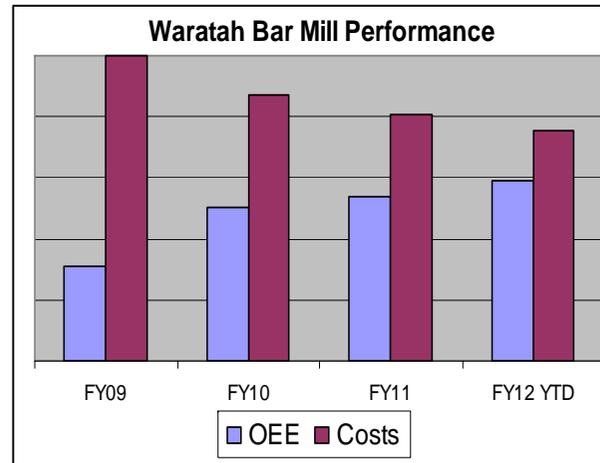
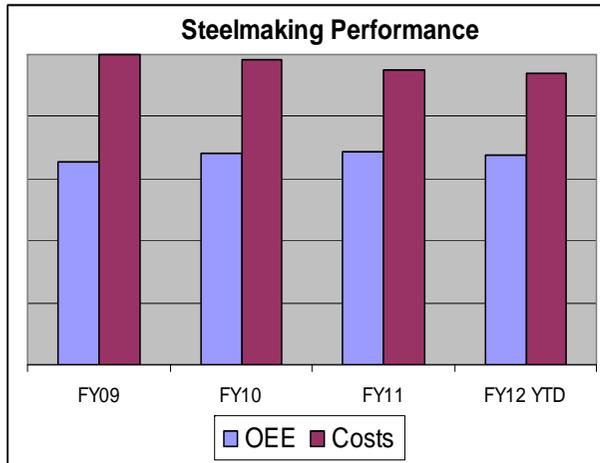
Rail Products



- Rail's value proposition driven by supplying high quality product, to specific customer specifications delivered on time
- OneSteel produces predominantly premium quality forged rail wheels for the heavy haul markets
- Quality is a key business strategy
 - Developing higher axle load wheels
 - Working with customers to target improvement opportunities
 - Investing in quality assurance programs
- Rail sales driven by our customers' maintenance spend and capital infrastructure investments
- Sales ~80% domestic (iron ore, coal, freight and passenger)
- Sales ~20% international (South Africa, New Zealand)
- Nominal capacity of Rail plant is ~105,000 wheels per annum
 - Market and customer demand have plant operating at ~70% capacity
- Rail sales comprise of loose wheels, loose axles & complete wheel sets
- AAR accredited helping access overseas market development activities
- Strong relationships with global rail suppliers
 - E.g. Trisource, Valdunes



Manufacturing improvements



Manufacturing strategy

- 'Equipment fit for purpose' to drive improved equipment reliability and specific maintenance strategies
- Operate to Standard philosophy to ensure quality and process stability
- Workplace productivity focus through employee reduction opportunities
- Structured implementation of the 'OneSteel Operating System' across Moly-Cop Australia
 - Focus on key OEE drivers and LEAN/6 Sigma methodologies
 - People accountability and employee involvement
 - Assessing cost reduction opportunities
 - Quality and delivery focus to meet market requirements



Moly-Cop Australasia – Key focus areas

MARKET (Quality & Delivery)

PRICE

COST (Productivity)

- Grinding media – maintain and strengthen our leading market position
 - Maintain Moly-Cop Australasia market share including future market growth
 - Maintain excellent customer satisfaction and high delivery outcomes
 - Global Moly-Cop ball quality development initiatives (+MAS)
 - Liberate capacity to meet the potential growth in magnetite grinding requirements
- Rail - maintain and strengthen our leading market position
 - Development of forged wheel quality to sustain competitive edge
 - Further develop long-term supply position with Transnet
 - Improve value delivery systems to refine service levels and response times
- Improving Value Propositions to deliver enhanced value for Moly-Cop Australasia and our customers
- People development to create competitive edge on productivity and quality
- Continue cost improvements in manufacturing
 - Workplace productivity levels
 - Leverage OneSteel and Moly-Cop Best Practice Forums
 - Benchmarking with Badische Stahl-Engineering for EAF and Bar Mill performance
 - Manufacturing excellence through equipment fit for purpose & operating to standard
- Flexible manufacturing capability to respond quickly to market opportunities/changes



Summary

- Market outlook remains positive for all product segments
- Sales volumes are expected to remain strong, with potential growth in grinding media driven by proposed magnetite mines in WA
- Plans over the last 12 – 18 months have been successful to improve business performance
- Management is focused on holding our market positions, improving our quality and service, improving costs and increasing productivity levels





OneSteel Wire Ropes

John Barbagallo, General Manager Moly-Cop Australasia

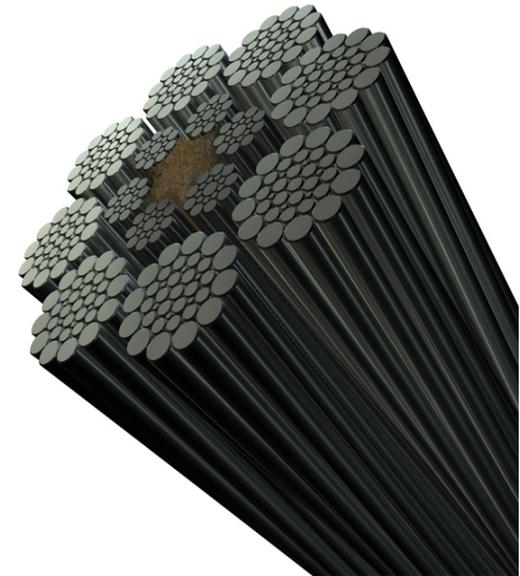


onesteel

Overview of OneSteel Wire Ropes (OSWR)



- Strong presence in mining segment
- “Cradle to Grave” strategy with our mining customers
- Plant capacity ~20ktpa
 - Plant currently operates at ~80% capacity
- Location Newcastle, NSW
- Employees: 110
- Established 1924
- Sole rope manufacturing plant in Australia
- Size range
 - Rope 16mm to 200mm
 - Strand 4.8mm to 102mm
- Sales: ~90% Australian market & ~10% export
- Accreditation
 - ISO 9001, ISO 14001 compliant
- Invested \$24m since 2004



Wire Ropes



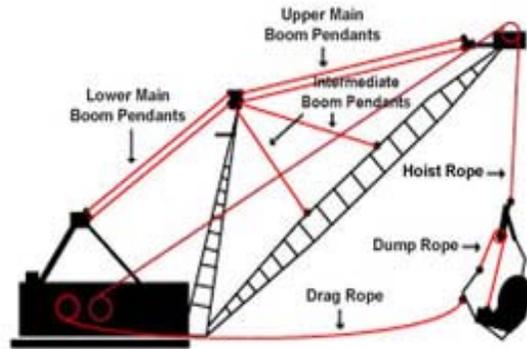
Newcastle

Facility	Mayfield, Newcastle
Capacity	~20ktpa
Employees	110
Market Position	<ul style="list-style-type: none">▪ 1st▪ >75% market share in Mining Rope (in Australia)
Major Supplier	<ul style="list-style-type: none">▪ OneSteel Wire
Major Customers	<ul style="list-style-type: none">▪ BMA▪ Xstrata▪ Rio Tinto▪ Wesfarmers▪ Anglo American
Competition	<ul style="list-style-type: none">▪ Haggie Rand▪ Bridon▪ Wire Co

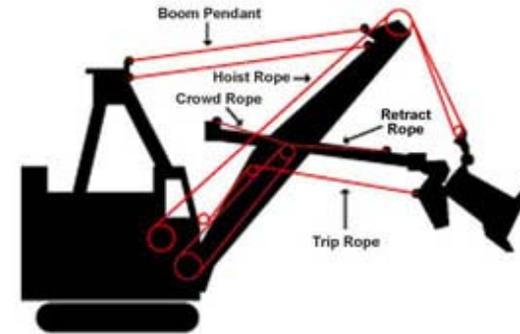


Our products - Mining Rope

Dragline Ropes



Electric Shovel Ropes



Our products - Mining Rope



Strand Pendants



Cable Hauled Conveyors



Our products - Market Rope

Road Barrier Ropes



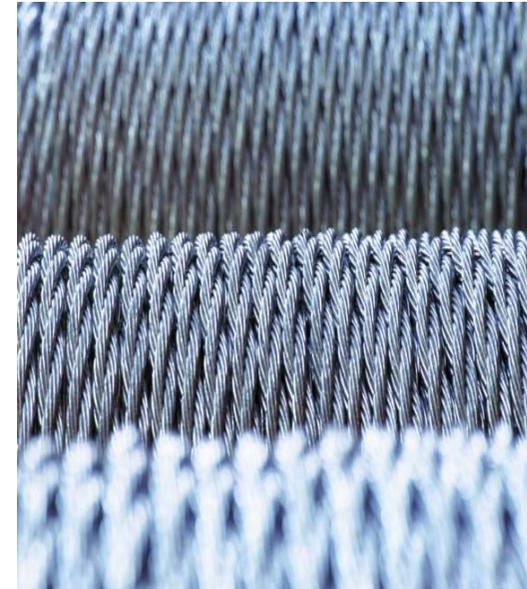
Galvanised Sales Strand



Wire Rope market segments



- Market segments
 - Mining Rope ~70% of sales
 - Market Rope ~30% of sales
- Mining Rope segments
 - Draglines and electric shovels
 - Pendants for draglines, shovels
 - Cable hauled conveyors
 - Underground mining applications
- Market Rope segments
 - Electrical industries
 - Agriculture
 - Construction
 - Highway infrastructure

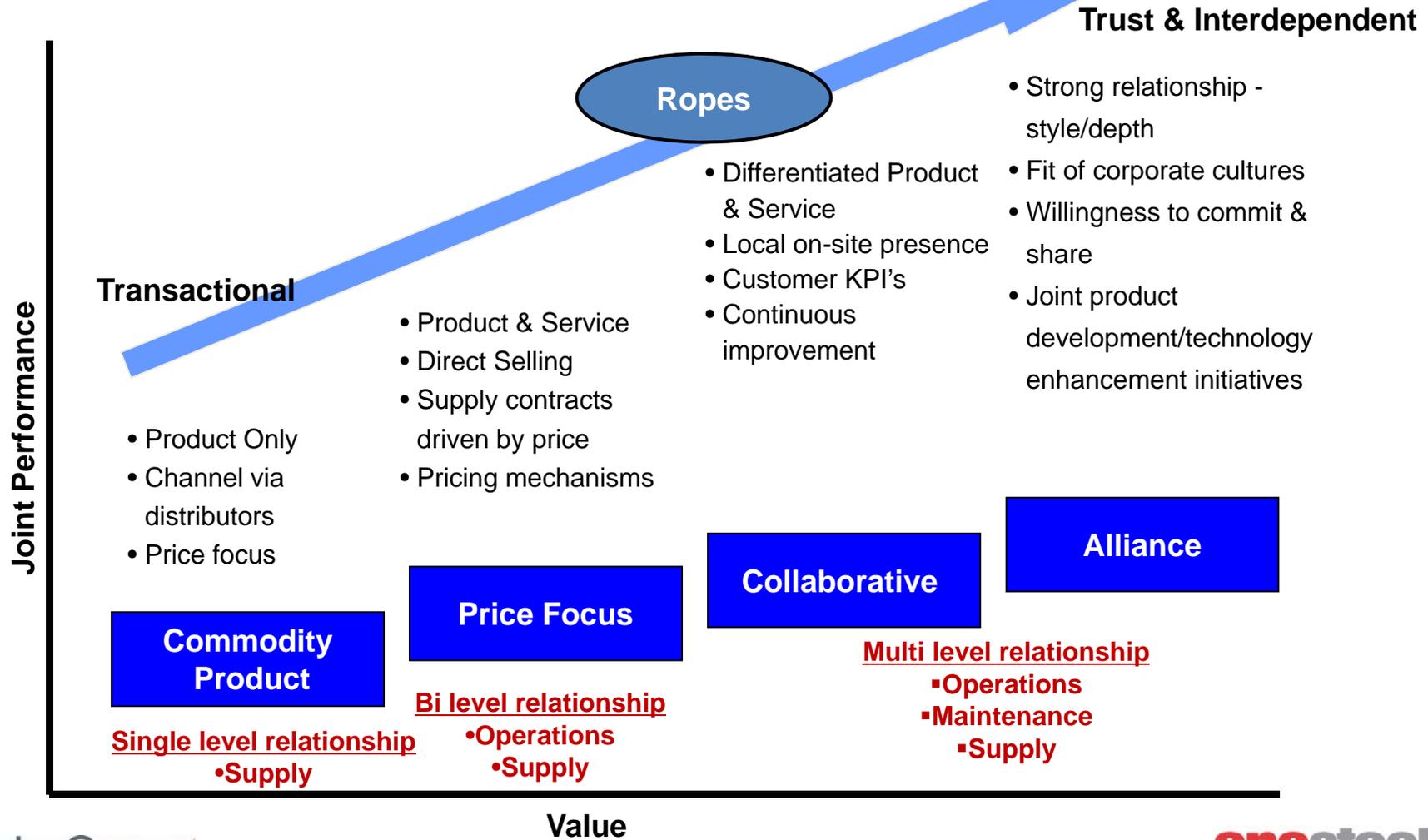




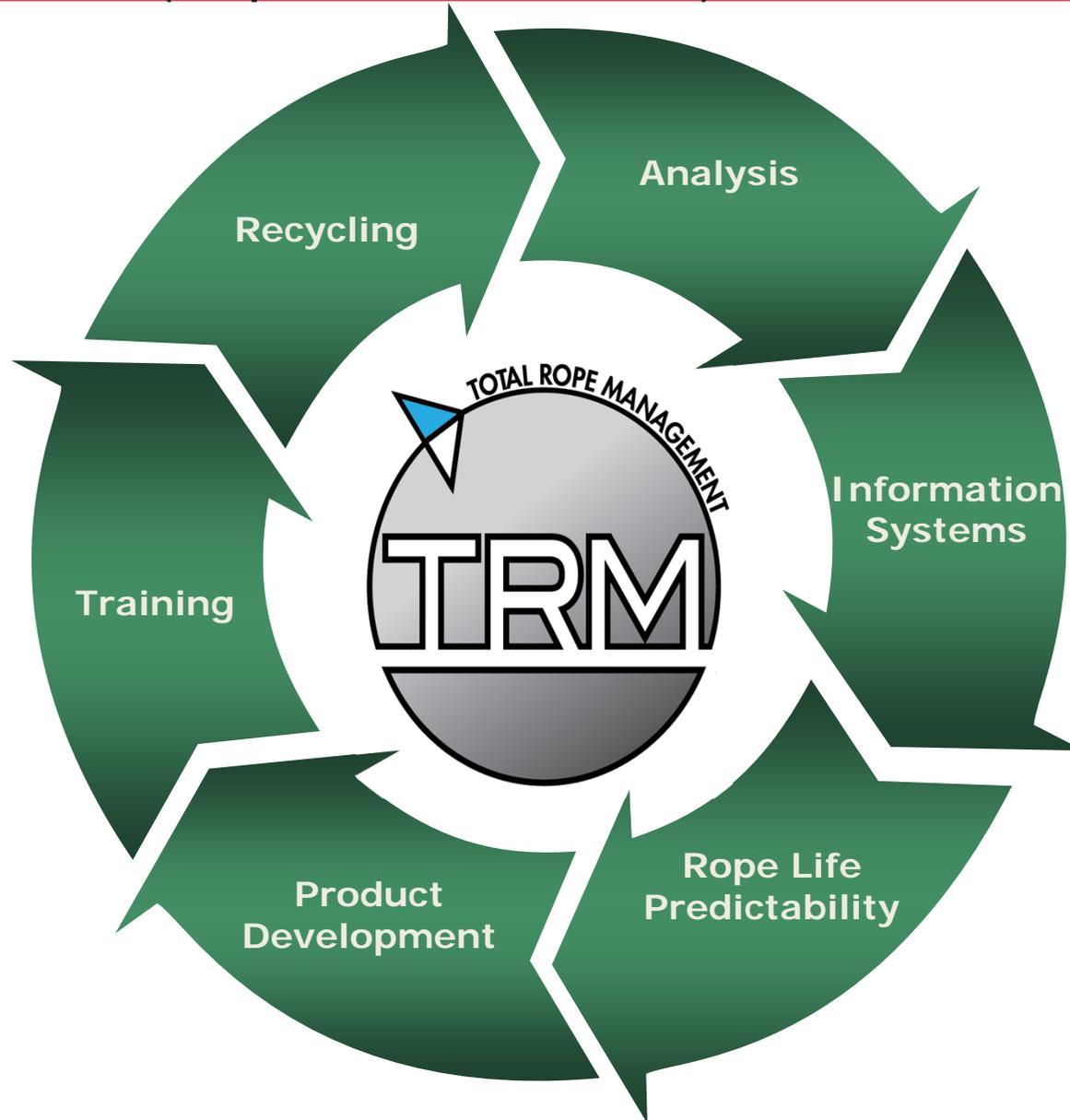
Ropes Strategy

- The sole Australian manufacturer of mining and market rope products, delivering:
 - Innovative design
 - High quality product
 - Service solutions that deliver reliability, efficiency and cost effectiveness to our customers
- Strategy: Mining Rope – “Cradle to Grave”
 - Total Rope Management (TRM)
 - OSWR responsible for Design → Manufacture → In Market Service/Solutions to our customers
 - Serviced by Field Service Managers in QLD and Hunter Valley
 - Focused on improving machine uptime through improved Rope Life
 - Potential to add recycling of used ropes
- Strategy: Market Rope
 - Focused on “niche markets” where customers value quality/delivery/service at a competitive price

TRM Relationship Objective



Working together (Ropes & Customers)

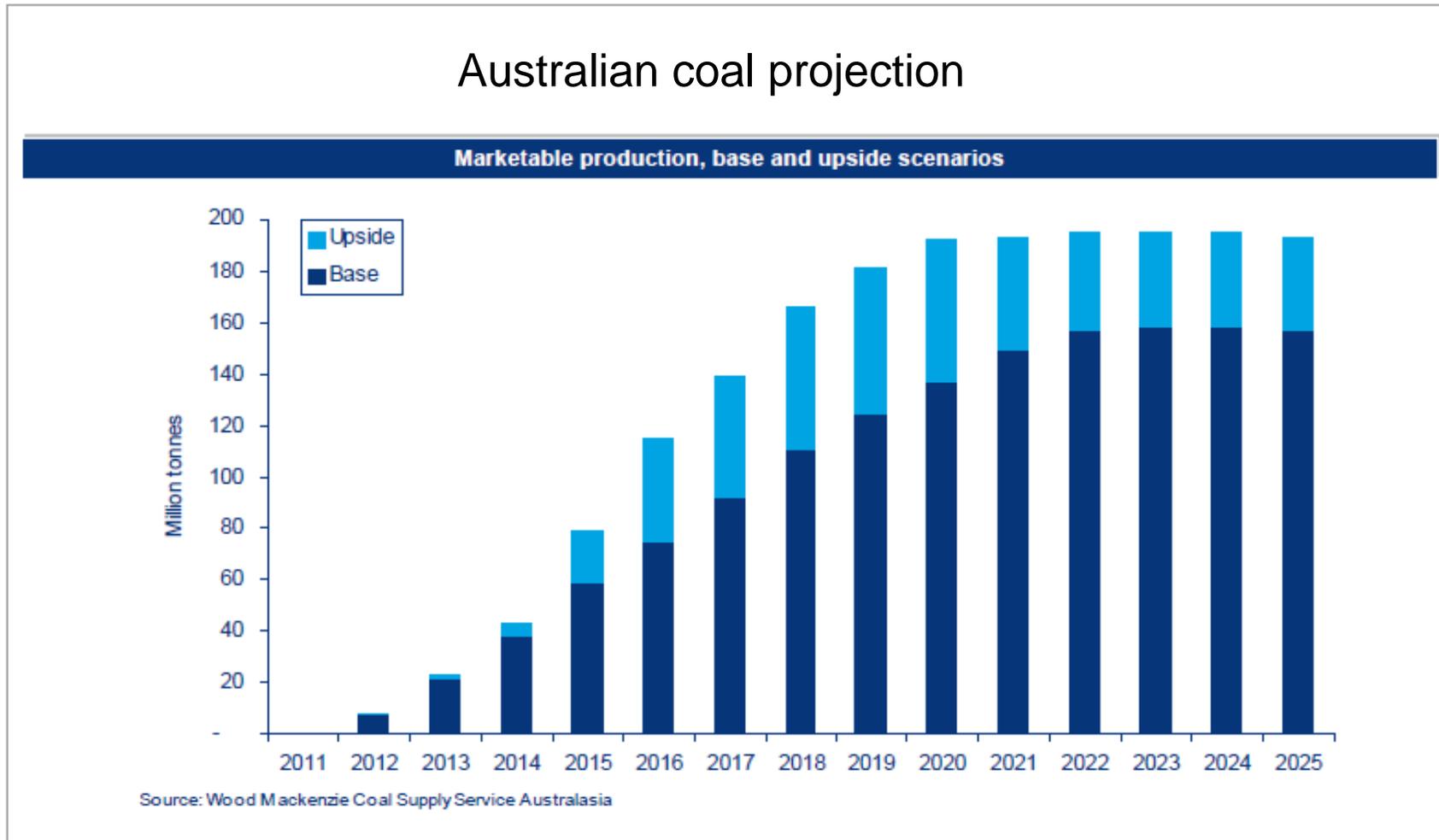




Mining Rope markets

- OSWR has a leading market position in the Australian open-cut mining
- Current customers include BMA, Rio Tinto, Xstrata, Anglo and Wesfarmers
- Export product to selected markets in South East Asia, South Africa, China, North America and South America
- OSWR is the major supplier of Cable Hauled Conveyor Belt Ropes in Australia
- OSWR have an onsite mines presence in the Hunter Valley (NSW) and the Bowen Basin (QLD) to deliver “Cradle to Grave” support through the Total Rope Management service package to its customers
- The TRM process drives product quality development and innovation to meet our customer requirements
- Growth has been focused on providing a full range of rope products to the mining sector, including dragline and shovel ropes (plasticated rope)
- OSWR expects further Shovel Rope market opportunities with our new plasticated rope capability
- OSWR has sufficient rope manufacturing capability under the existing assets to meet the expected future Mining Rope demand
- Competition from South African, European, American and Asian Rope Manufacturers

Coal – new project forecasts

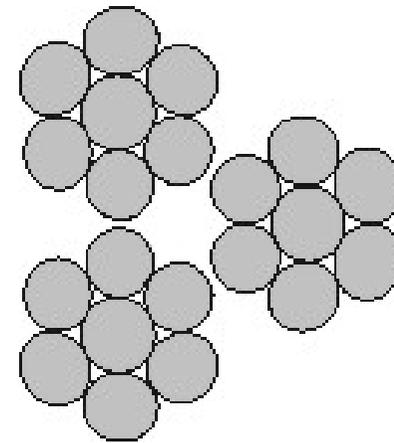
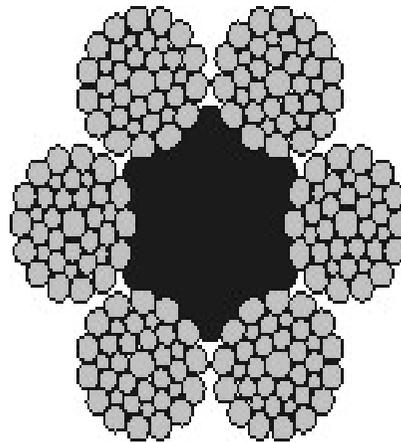
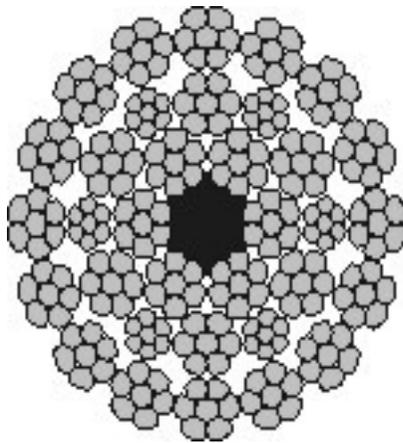


Demand for Mining Rope underpinned by coal mining in Australia



Market Rope markets

- OSWR supplies ropes into “niche markets” where customers purchase on quality, delivery and service at a comparable price
- Solid market participation in the Barrier Rope market in Australia
- Competition mainly from Asian suppliers given strong AUD
- Export small quantities to South East Asia



Raptek Dragline Dump Ropes

The compelling value proposition is to convert dump ropes with factory fitted becketts on both ends for:

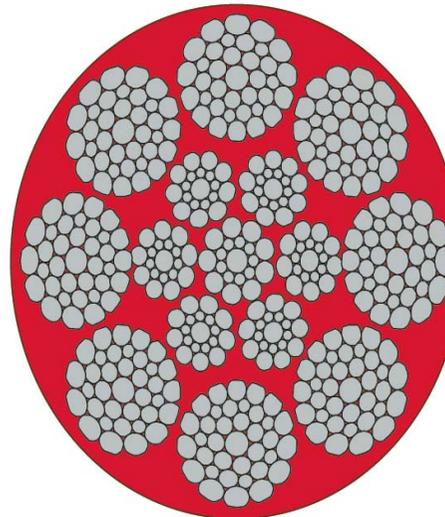
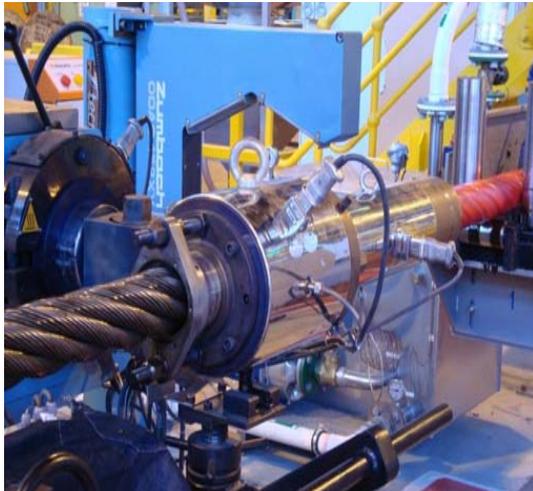
- Improved Safety For Mine Sites
 - Less contact with stray wires
 - Reduced Manual Handling with no hammers required for installation or removal
 - Reduced exposure to the stored energy hazard in the previous looped rope procedure
 - Mechanical locking device reduces pinch points
- Reduced Machine Downtime, Greater digging time
 - Faster and more efficient change-out
 - Rope slippage in socket is eliminated
- Unique Ferrule design
 - Concentric with repeatable change-out benefits
 - High Pull-off Value, secure locking mechanism
 - Repeatable and reliable manufacturing approach





Plasticated Rope

- \$7m investment in Rope Plastication Line in 2009
- Significant value and customer benefits of long life rope through increased uptime of customer equipment
- Plasticated product 25mm to 95mm - 6 and 8 strand configuration.
- Fully impregnated product in one pass
- In-market trials have been successful
- Currently expanding market share as tenders/contracts are let
- Trialling Plasticated Ropes in South America, with Moly-Cop Chile's support





Recycling Rope scrap opportunity

- Australian operations produce ~12ktpa of scrap rope with BMA mining operations accounting for 4,500tpa
- Rope is considered a waste issue with sites paying for removal via a general waste management contract
- BMA are working with OneSteel's proposal to manage the removal of scrap/worn rope
- OneSteel Recycling have made investment in hydraulic shears to cut and process wire ropes at the mine sites
- Processing can be undertaken in Mackay & Gladstone
- Structure – collaboration between Ropes & Recycling
- This process has been implemented successfully with a view to expand into other potential mining operations





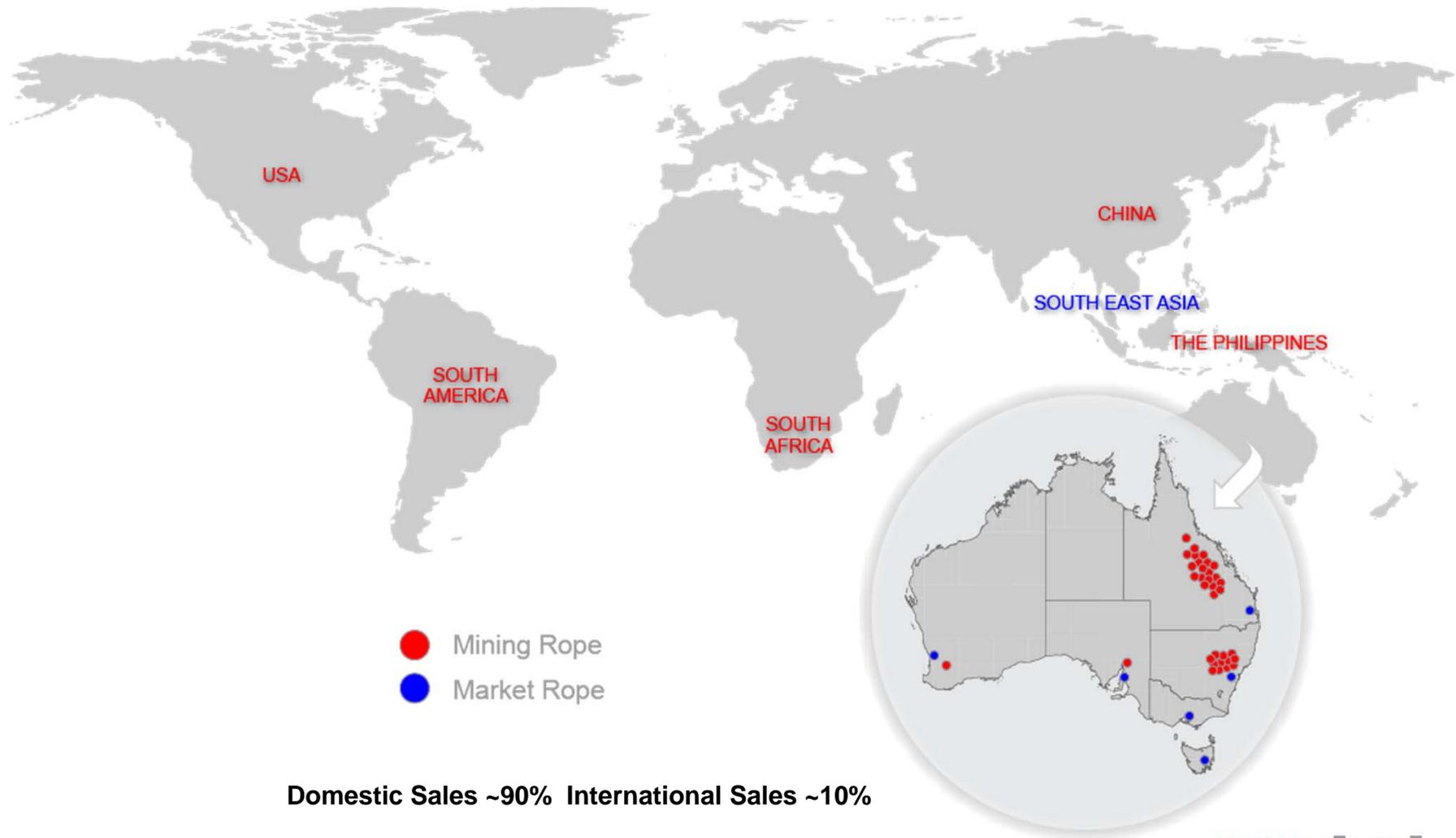
Summary

- Excellent exposure to mining market opportunities
- Recognised and experienced supplier of high quality rope solutions to the mining industry
- Strong value proposition for customer through our “Cradle to Grave” approach, extending our TRM service offering
- Leading edge manufacturing capability driven by recent investments, focused on additional capacity with current assets
- Leading edge product design and solutions
 - Plasticated shovel ropes
 - Rapterk Dragline (Ferrule) Dump Ropes
- Well positioned to meet expected mining growth
 - Coal mining
 - Olympic Dam
 - Leverage with Moly-Cop customers



Appendix

Domestic and International Markets





Waratah Steel Mill - History

- 1918 Established as Commonwealth Steel Products Limited
- 1933 Installation of Open Hearth Furnace to increase steel capacity
- 1935 Installation of Edgewater Mill – manufacture of forged wheels
- 1939 Special Steels Plant Construction
- 1955 Upgrade of Wheel Manufacturing Facility – 5kt press installed
- 1956 No 1 Grinding Media Plant installed – automatic forging process
- 1963-68 Modernisation of the Waratah Steel Mill at cost of \$15m
- 1972 No 2 Grinding Media plant - roll former (now in Cilegon)
- 1987 No 2 EAF installed and commissioned
- 1988 No 3 Grinding Media plant installed
- 1991 No 4 SAG ball plant commissioned
- 1991 Commissioning of new Bar Mill Facility – ~330ktpa capacity
- 1994 Installation of Danielle 25MN press in the Forge
- 1996 Installed and commissioned Vertical Billet Caster
- 1998 Commissioning of Cilegon Grinding Media Facility (~30ktpa)
- 2005 Commissioned 48MN Press in Rail (Forging Machine)
- 2009 Upgrade wheel manufacturing capacity
- 2012 Commenced Construction of new Cilegon Manufacturing Facility

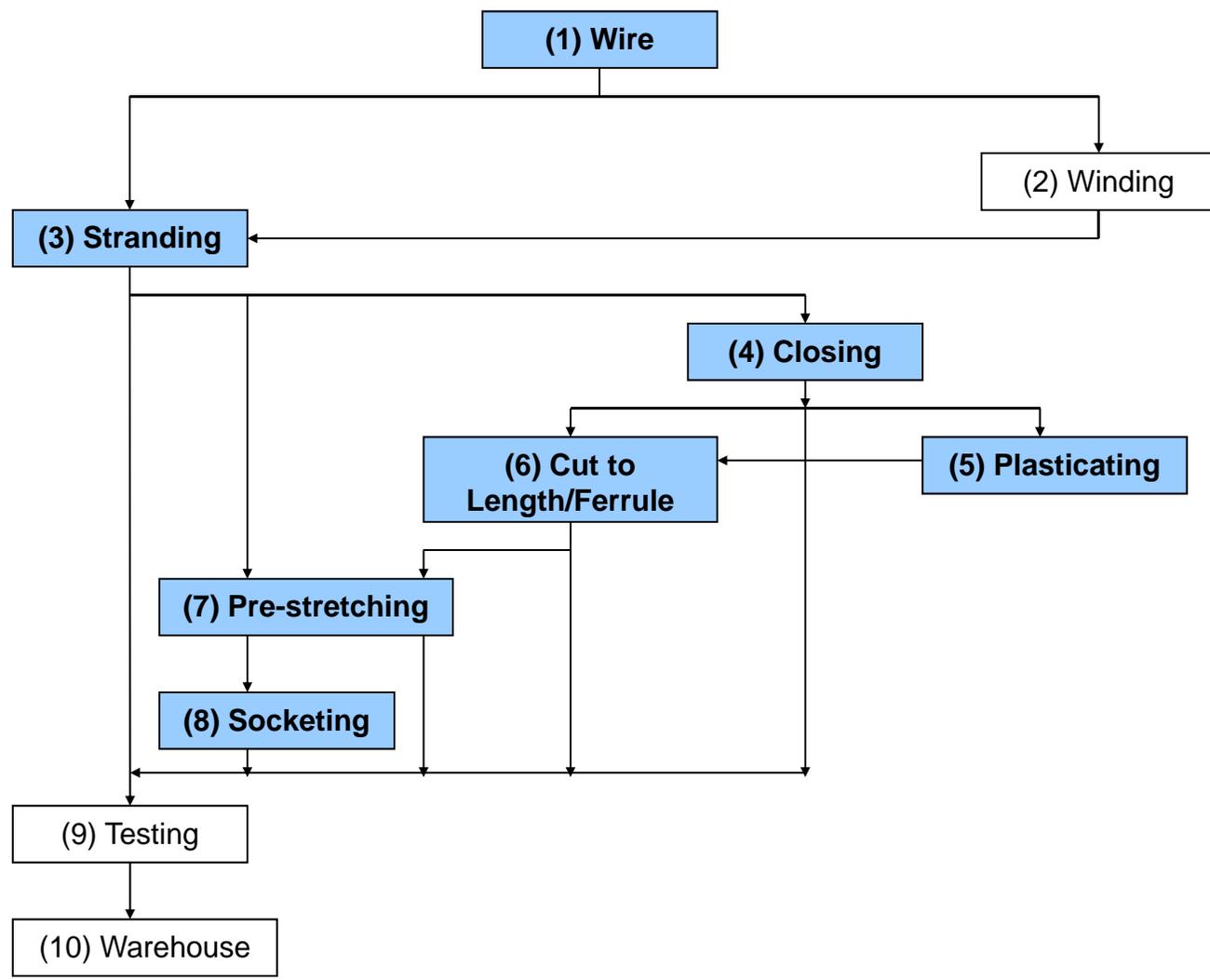


Environment & community

- Strong focus on community outcomes
 - Community Liaison Group meetings
 - Noise mitigation is a strong feature of the facility
 - Water management is a key feature well controlled given recent cooling tower investments
- Moly-Cop Australia is certified to ISO:14001 International Standard
- Energy efficiency remains a key focus with rising electricity costs
 - Waratah participates in the EEO
 - Energy Management Systems in place
 - Energy Tracking System developed
 - Energy reduction targets in business plans
 - Energy Efficiency Engineer and Technical Energy Groups at site level
- Energy Improvement Projects:
 - EAF Electrode Control System (complete)
 - EAF Primary fume system, variable speed drive installation (complete)
 - Grinding Media heat shielding to conserve energy
 - EAF Secondary fume system, variable speed drive installation
 - Use Badische Stahl-Engineering for International Benchmarking
 - A number of smaller energy saving initiatives
- Over 90% of Waratah's waste is beneficially recycled. (i.e. slag, mill scale, EAF dust)



Wire Rope manufacturing process





Wire Rope plant capabilities

- Ropes has invested over \$24 million dollars to expand and improve the business
 - 2004 \$15m 8 Strand Closer
 - 2006 - 2007 \$2.5m disc replacement and electrical rebuild of the two planetary stranders that feed the Closer
 - 2009 \$7m Ropes Plastication Line
- Produce Mining Rope in either 6 or 8 strand configuration depending on customer requirements
- Maximum weight of product manufactured is 150 tonnes
- Capable of manufacturing rope up to lengths of 10km

