



Asia Iron Australia

Project Update August 2013

The Extension Hill Magnetite Project
Asia Iron





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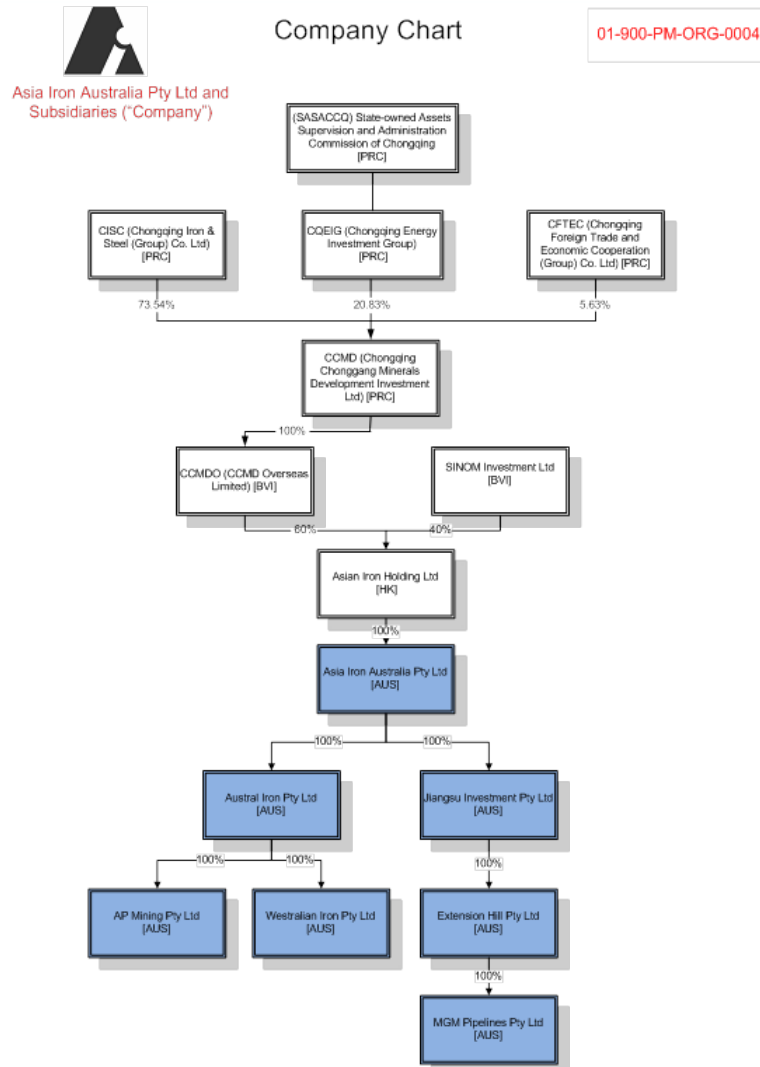
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The Asia Iron Group

- Unique 100% Chinese owned partnership
 - 60% State Owned Enterprise Conglomerate
 - Shareholders are:
 - Steel producer;
 - Clean energy investor; and
 - Foreign trade and economic cooperation enterprise
 - Ultimate Parent is the Municipality of Chongqing
 - 40% Privately Owned Enterprise
 - Raw materials trader and resource investor
- HK Holding Company Shareholder's Agreement
 - Voting rights
 - Financing
 - Offtake
- “One Team” management based in Perth

Asia Iron Group Structure



Asia Iron Assets





Extension Hill Magnetite Project Status

- We are pleased to provide the following update:
 - In June 2012, we advised that the Extension Hill Magnetite Project development timetable has been delayed due to decision-making delays associated with the political changes that have, and were then occurring in the City of Chongqing.

Extension Hill Magnetite Project Status

- The political issues which impacted the decision-making ability of the Government of Chongqing have been resolved;
 - Asia Iron's 60% shareholder, Chonggang Minerals Development Investment Limited ("CCMD") has reconfirmed its desire to proceed with development of the Extension Hill Magnetite Project.

Extension Hill Magnetite Project Status

- The ongoing, high level support for development of the project has been reconfirmed;
 - Chinese Government approvals to invest in and develop the Project issued before the political issues occurred in Chongqing remain valid;

Extension Hill Magnetite Project Current Activities

- Under these circumstances, both of Asia Iron's shareholders, CCMD and Sinom Investments Limited ("Sinom") have now reaffirmed their determination to proceed to finance and develop the project.
 - Additional equity funding has been arranged by the shareholders.
 - Substantial progress has been made focussing on the debt financing with China Development Bank.



Extension Hill Magnetite Project Current Activities

- The shareholders are now focusing their efforts on the debt financing component of the project financing
 - Substantial progress has been made in discussions with China Development Bank, who are proceeding in accordance with standard Chinese practices for a project of this nature.

Extension Hill Magnetite Project Current Activities

- In respect to the lessons learnt from other projects, the shareholders have noted these and will be careful to organise the funding and project elements to make sure the Project does learn from these lessons of others.
 - The company is studying carefully the impact of recent changes in the financial, commodity and construction markets in order to establish the best suitable strategy and approach to develop the project;
 - This may take some more time.