

**Iron Road Limited Entitlement Offer – Notice to option holders**

Pursuant to the Entitlement Offer announced today, please find attached a letter despatched to Iron Road Limited option holders today.

Yours sincerely,

**IRON ROAD LIMITED**



Graham Anderson  
**Company Secretary**

13 June 2013

[Name]  
[Address]

Dear Sir/Madam

## Iron Road Limited Entitlement Offer - Notice to option holders

On 13 June 2013, Iron Road Limited (**Iron Road**) announced a fully underwritten 1 for 1 non-renounceable pro-rata entitlement offer of fully paid ordinary shares in Iron Road (**New Shares**) at an offer price of \$0.18 per New Share (**Offer Price**) to raise approximately \$50.7 million (after costs) (**Entitlement Offer**).

The proceeds of the Entitlement Offer will be used to:

- (a) complete the definitive feasibility study on the Central Eyre Iron Project (**CEIP**);
- (b) continue, as and when appropriate, the purchase of land required to support the CEIP; and
- (c) undertake feasibility studies on the Gawler Iron Project, subject to a successful scoping study outcome.

The Entitlement Offer will be available to eligible Iron Road shareholders on its share register as at 7pm (AEST) on 21 June 2013 (**Record Date**).

### 2 Purpose of this letter

The purpose of this letter is to notify you of Iron Road's intention to undertake the Entitlement Offer, so that you have adequate opportunity to exercise some, or all, of your Iron Road options prior to the Record Date if you wish to be eligible to participate in the Entitlement Offer.

If you wish to participate in the Entitlement Offer, your options must be currently exercisable and you will need to exercise those options, and pay the exercise price (if applicable) in accordance with the terms of any option agreement so that you are issued Iron Road shares in respect of those options and are registered as a shareholder in respect of such shares prior to the Record Date.

We note that if, in addition to your Iron Road options, you currently also hold Iron Road shares, you will be able to participate in the Entitlement Offer, but only in respect of the Iron Road shares that you currently hold.

If you do not wish to participate in the Entitlement Offer in respect of your options, you do not need to take any action.

### **3 Details of the Entitlement Offer**

Following completion of the Entitlement Offer, Iron Road will have issued 290,968,452 New Shares, resulting in a total of 581,936,904 Iron Road shares on issue (plus the options to subscribe for unissued shares).

The New Shares will rank equally with all other fully paid ordinary shares of Iron Road including in respect of dividends, from the date of allotment. Iron Road has applied for quotation of all of the New Shares on ASX.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their entitlements in full will not receive any value in respect of those entitlements and their percentage shareholding in Iron Road will be reduced following the issue of all New Shares under the Entitlement Offer.

A handling fee of 1% (plus GST) up to a maximum of \$250 per application will be payable by Iron Road to stockbrokers (being those entities named as full service (advisory) brokers or non-advisory brokers on the ASX website) who submit a valid claim for a broker stamping fee on successful applications.

### **4 Underwritten offer**

The Entitlement Offer is fully underwritten by Sentient Global Resources Fund III, L.P (**Sentient Fund III**) and Sentient Global Resources Fund IV, L.P (**Sentient Fund IV**) (together the **Underwriters**), funds advised by the Sentient Group and Iron Road's largest shareholders. The Underwriters will be paid a total underwriting fee of 2% of the total proceeds of the Entitlement Offer (excluding proceeds raised by the sale of any shortfall shares procured by the Joint Shortfall Managers as referred to below).

### **5 Shortfall facility**

There will also be a shortfall facility under which eligible shareholders other than:

- (a) the Underwriters or any sub-underwriters of the Offer;
- (b) a related party (as defined in the ASX Listing Rules) of Iron Road (**Related Party**);  
or
- (c) a related party or associate (as defined in section 12 of the *Corporations Act* 2001 (Cth) (**Corporations Act**)) of the Underwriters,

may subscribe for additional New Shares if they wish to do so, subject to compliance with the ASX Listing Rules, the Corporations Act and any other applicable laws.

### **6 Joint Shortfall Managers**

Iron Road has also appointed CIBC Australia Ltd and Blue Ocean Equities Pty Limited as joint shortfall managers to the Entitlement Offer (**Joint Shortfall Managers**) to assist Iron Road with the placement to sophisticated and professional investors of any remaining shortfall under the Entitlement Offer after applications under the shortfall facility have been fulfilled. To the extent there is sufficient demand for such remaining shortfall, this will be conducted by way of an institutional bookbuild following the close of the Entitlement Offer. The Underwriters and their associates, and any Related Party of Iron Road will not be

permitted to receive any such New Shares. The Underwriters will take up any remaining shortfall after this process.

The Joint Shortfall Managers will receive a total management fee of \$100,000 and 5% of the proceeds raised by the sale of any New Shares procured by the Joint Shortfall Managers.

## **7 Eligible Shareholders**

Eligible Shareholders are those holders of Iron Road shares who:

- (a) are registered as a holder of Iron Road shares as at 7pm (AEST) on the Record Date; and
- (b) have a registered address in Australia or New Zealand or in any other jurisdiction as Iron Road has determined (in its absolute discretion) is eligible to participate in the Entitlement Offer. Based on Iron Road's understanding of the locations of its shareholders as at the date before the date of announcement of the Entitlement Offer, Iron Road expects that all shareholders will be eligible to participate.

## **8 Proposed timetable**

The following are key dates relating to the Entitlement Offer that you need to be aware of:

Announcement of the Entitlement Offer	Thursday, 13 June 2013
Ex-date	Monday, 17 June 2013
<b>Record Date (7pm AEST)</b>	<b>Friday, 21 June 2013</b>
Despatch of Offer booklet and Entitlement and Acceptance Forms	Tuesday, 25 June 2013
<b>Entitlement Offer opens</b>	
<b>Entitlement Offer closes (5pm AEST)</b>	<b>Tuesday, 16 July 2013</b>
Deferred settlement trading on ASX commences	Wednesday, 17 July 2013
Iron Road notifies ASX of under subscriptions	Friday, 19 July 2013
Issue of New Shares under Entitlement Offer	Wednesday, 24 July 2013
Deferred settlement trading ends	
Issue of New Shares under shortfall institutional bookbuild	
Notify Underwriters of under subscriptions	
Entitlement Offer New Shares commence normal settlement trading on ASX	Thursday, 25 July 2013
Issue of New Shares to Underwriters	Tuesday, 30 July 2013

*\*This timetable is indicative only. The Directors of Iron Road reserve their right to extend the closing date for the Entitlement Offer at their discretion, in consultation with the Underwriters and subject to the ASX Listing Rules. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.*

## 9 Entitlement Offer booklet

The Entitlement Offer is being made in accordance with section 708AA of the Corporations Act (as modified by ASIC Class Order 08/35), meaning that no prospectus needs to be prepared.

Iron Road proposes to send an offer booklet regarding the Entitlement Offer and personalised Entitlement and Application Form to shareholders on or before Tuesday, 25 June 2013.

**A copy of the offer booklet has been lodged with ASX and is available on [www.asx.com.au](http://www.asx.com.au) and on Iron Road's website ([www.ironroadlimited.com.au](http://www.ironroadlimited.com.au)).**

You should consider the booklet in deciding whether to exercise your options to participate in the Entitlement Offer. Anyone who wants to participate in the Entitlement Offer will need to complete the Entitlement and Acceptance Form.

## 10 Further information

If you have any queries please contact Lex Graefe, Chief Financial Officer of Iron Road, on +61 8 8214 4400 or alternatively, consult your stockbroker, solicitor, accountant and/or other professional financial advisor.

On behalf of the Board of Iron Road, I thank you for your continued support.

Yours faithfully



**Mr Graham Anderson**  
Company Secretary

### For further information, please contact:

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