Northern Iron Ltd
Company Presentation

October 2013

NORTHERN IRON

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NORTHERN IRON

100% OWNED MINE WITH THE BEST INFRASTRUCTURE PACKAGE IN OUR SECTOR

Open Cut Mine - 25+ Year Mine Life

8km Railway - Owner and Sole User

Concentrator - High Quality Magnetite Concentrate

Port - Efficient, Uncongested and Expandable
Located in close proximity to a key iron ore market.

NORTHERN IRON

NORTHERN IRON OVERVIEW

Corporate:

- ASX Code : NFE
- Ordinary Shares: 484.4m
- Market capitalisation @ A$0.165 A$80m
- Unrestricted Cash @ 30 June: US$22.3m
- Total debt (incl. leases) @ 30 June: US$98.0m

Top 10 Shareholders (as of 30 August 2013) :

- Dalnor Assets Ltd ~15.0 %
- Tschudi Mining ~13.9 %
- OM Holdings Ltd ~10.8 %
- UBS AG (and clients) ~9.5%
- Bank Vontobel AG ~7.3%
- Northcape Capital ~4.6%
- Deutsche Bank AG London ~4.2%
- Renaissance Smaller Companies Pty Ltd ~3.5%
- Ashwath Mehra ~3.2%
- Thorney Investment Group ~2.9%

The Top 20 shareholders hold 88.3% of the stock on issue.

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NFE BOARD AND SENIOR MANAGEMENT

- **Chairman – Peter Bilbe**
  - Over 31 years experience in senior operational and corporate roles , with significant experience as a mining engineer
  - Former MD and CEO of Aztec Resources, which successfully redeveloped the Koolan Island iron ore project
  - Joined NFE in Nov-2007

- **Managing Director – Tony Beckmand**
  - Accountant (CPA)
  - 17 years industry experience, 9 in iron ore
  - Joined NFE in Oct-2008

- **Non-Executive Director - Felix Tschudi**
  - Chairman and majority owner of Tschudi Shipping Company AS
  - Prior to entering shipping focused on trade finance and countertrade structures in Eastern Europe and the former Soviet Union
  - Joined NFE in Dec-2007

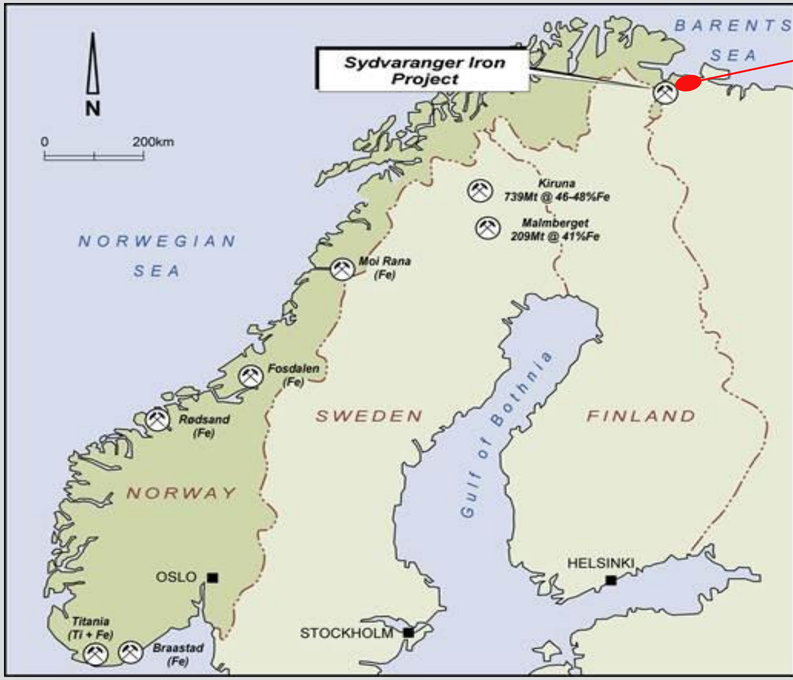
- **Non-Executive Director – Ashwath Mehra**
  - 26 years experience in the minerals industry
  - Currently CEO of Astor Management, previously CEO of the MRI Group
  - Joined NFE in May-2007

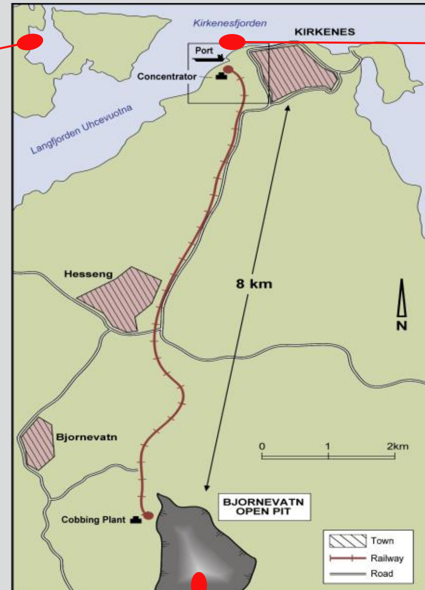
- **CEO Sydvaranger Gruve AS – Ismo Haaparanta**
  - Experienced Nordic mining professional, with a degree in Process Engineering and an EMBA from Turku University
  - Joins SVG from Yara International, where he was GM of a Finnish fertiliser mine, processing and port complex
  - Joined SVG in May-2012, reporting to the MD of NFE and board of SVG

- **Chief Development Officer – Harald Martinsen**
  - Experienced business development professional
  - 25 years industry experience with Norsk Hydro
  - Joined NFE in Sep-2011

- **Consultant Sales and Marketing– John Sanderson**
  - MD / CEO of NFE from Nov-2009 to Jul-2013
  - Mining engineer with over 19 years industry experience in iron ore, gold and copper

NORTHERN IRON OVERVIEW





- 100% owner of Sydvaranger iron ore mine, Norway
- Operated from 1910 to 1997 (200Mt of ore mined)
- Listed on the ASX in Dec 2007, mining commenced in May 2009 and the first shipment was in Nov 2009.
- High quality magnetite concentrate
- Long term offtake contract with key European customer in place
- Long mine life expected

RESOURCES AND ORE RESERVES

Mineral Resource Summary as at 1 February 2013 (at 15% Fe total cut-off grade)									
Deposit	**Indicated (Mt)**	**Fe (Total%)**	Fe (Mag%)	**Inferred (Mt)**	**Fe (Total %)**	Fe (Mag%)	**Total (Mt)**	**Fe (Total %)**	Fe (Mag%)
Bjørnevatn	144.3	32	29	137.3	30	27	281.5	31	28
Kjellmannsåsen	11.8	33	27	4.2	30	24	17.4	32	27
Fisketind Øst	29.4	31	NA	22.0	30	Na	51.4	31	Na
Tverrdalen	20.4	32	23	26.4	31	20	46.8	31	21
Bjornfell	17.5	30	NA	4.1	31	Na	21.6	30	Na
Söstervann				4.7	37	31	4.7	37	31
Grundtjern				2.9	34	32	2.9	34	32
Oskarsmalm	18.1	33	NA	14.0	31	Na	32.1	32	Na
Jerntoppen				17.0	31	24	17.0	31	24
Total	**241.5**	**32**	**28**	**232.6**	**30**	**26**	**475.4**	**31**	**27**

- Current reserves provide for a 20+year mine life.
- The Company is currently reviewing its life of mine development strategy and pit optimisations and expects to complete this work in due course.

Ore Reserve Summary as at 1 February 2013 (at 15% Fe total cut-off grade)		
Deposit	**Probable Reserve (Mt)**	**Fe (Total%)**
Kjellmannsåsen	10.5	33
Bjørnevatn	134.4	30
Tverdalen	11.2	31
Fisketind Øst	6.7	30
Total	**162.8**	**30**

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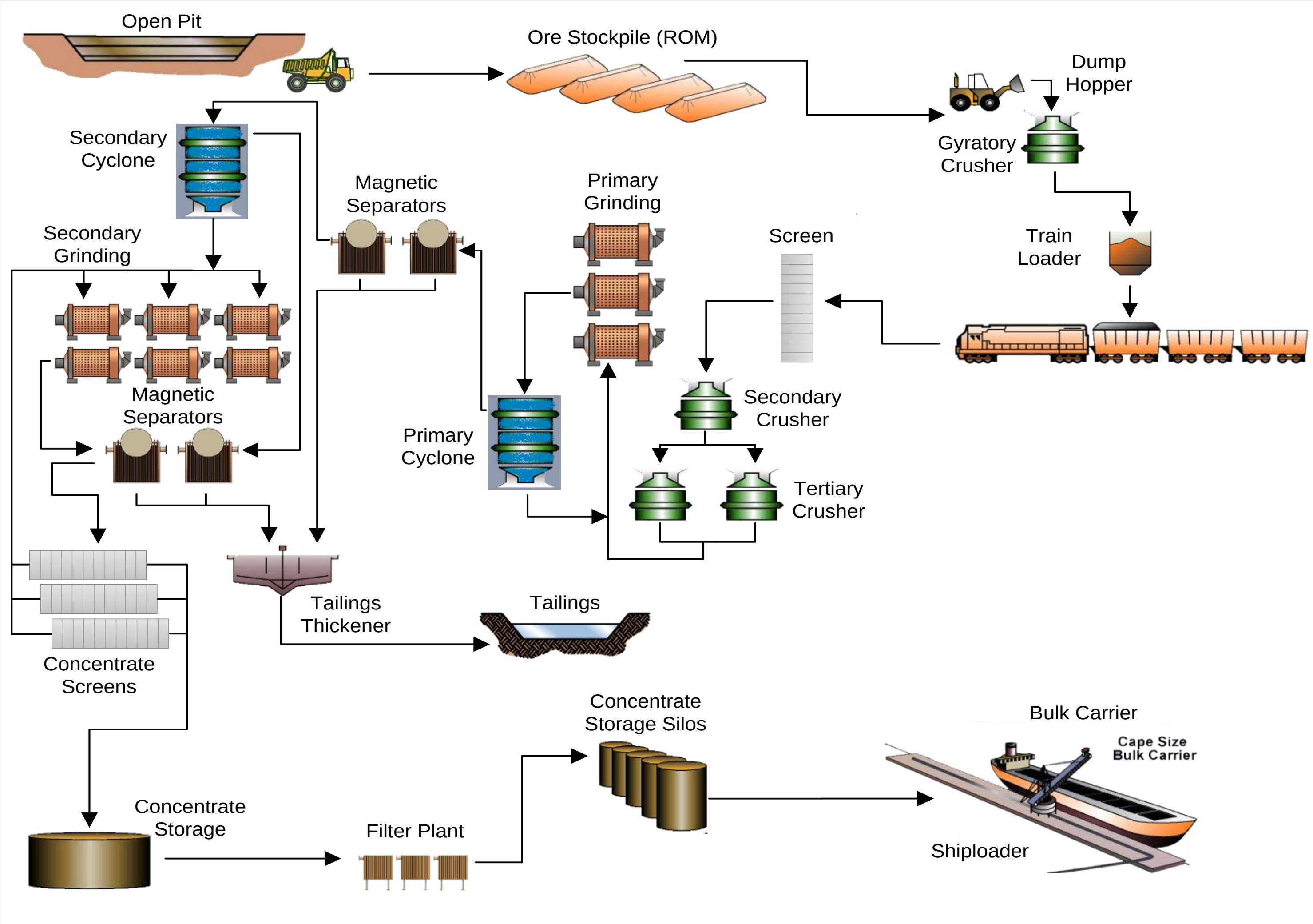
OVERVIEW OF PROCESSING FACILITIES



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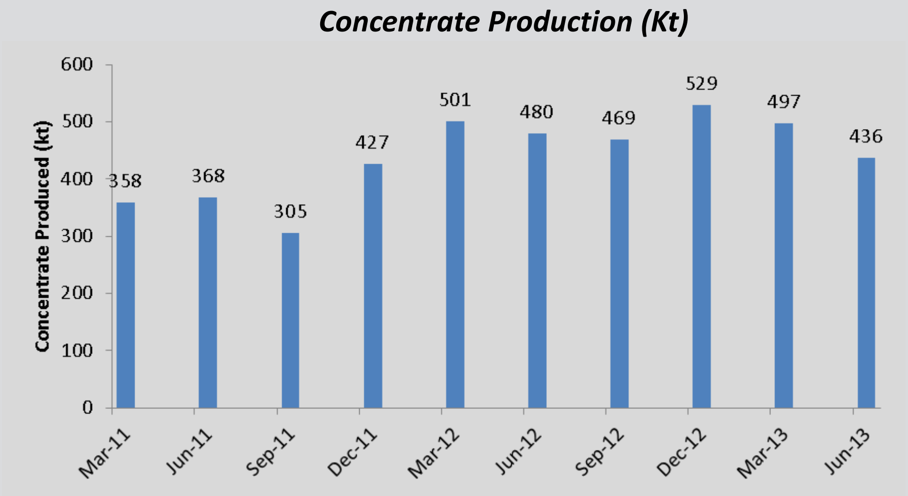
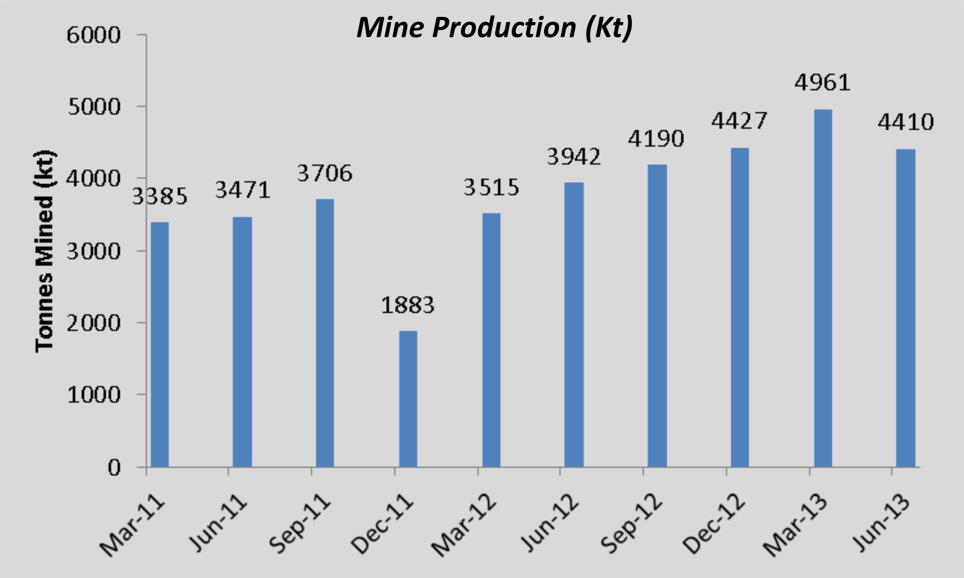
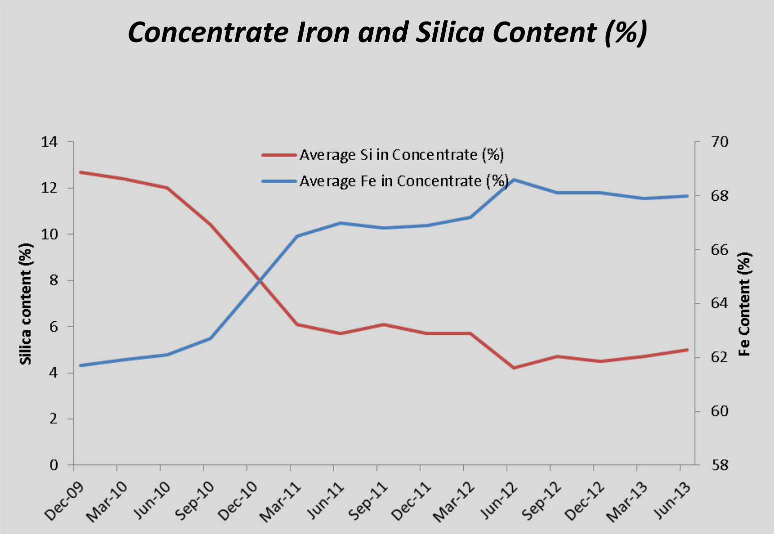
2012-13 OPERATIONAL PERFORMANCE

- Production was consistent during 2012, with a new quarterly production record set in Q4. This was followed by record months in Feb and Mar'13 of 186kt & 187kt, and 201kt was achieved in July'13.
- A further improvement in product quality was realized at the start of the second quarter of 2012.
- The mine has steadily improved the productivity and utilization of the earthmoving fleet over the last 18 months, achieving significant quarter on quarter increases.







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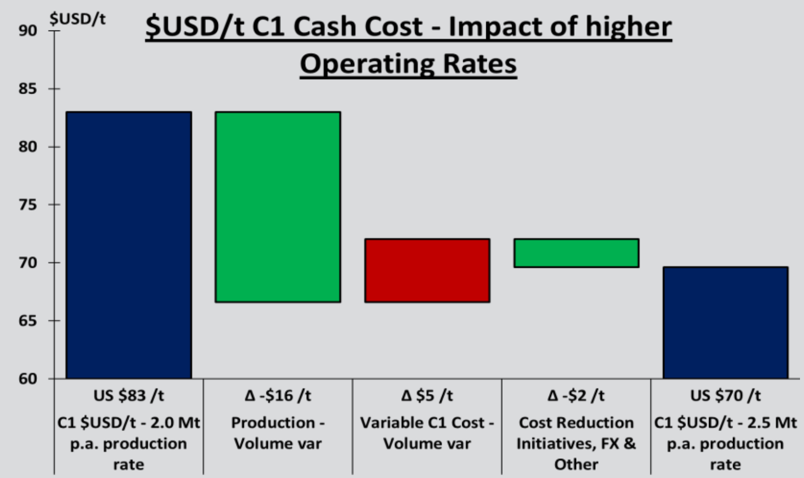
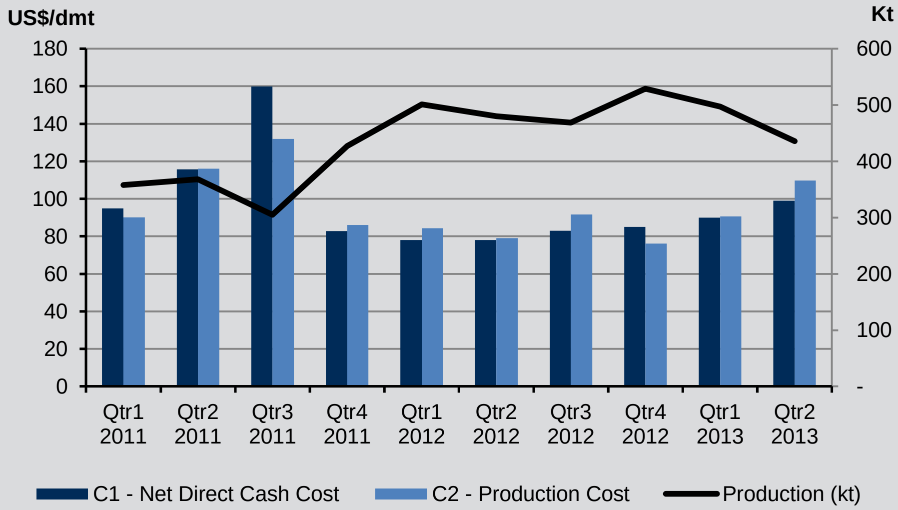
OPERATING COST REDUCTION & CAPITAL DISCIPLINE

- Unit costs are strongly linked to production volumes and the Company expects unit cost reduction in line with increased production. In July 2013 Sydvaranger produced 201kt of concentrate at a C1 Cost of USD 70 / dry metric tonnes.
- In response to the decline in iron ore prices in 2H2012, the Company took steps to reduce costs, including reducing budgeted headcount by 5% and exercising restraint on capital expenditure.
- The Company remains focused on improving production costs and maintaining capital expenditure discipline.

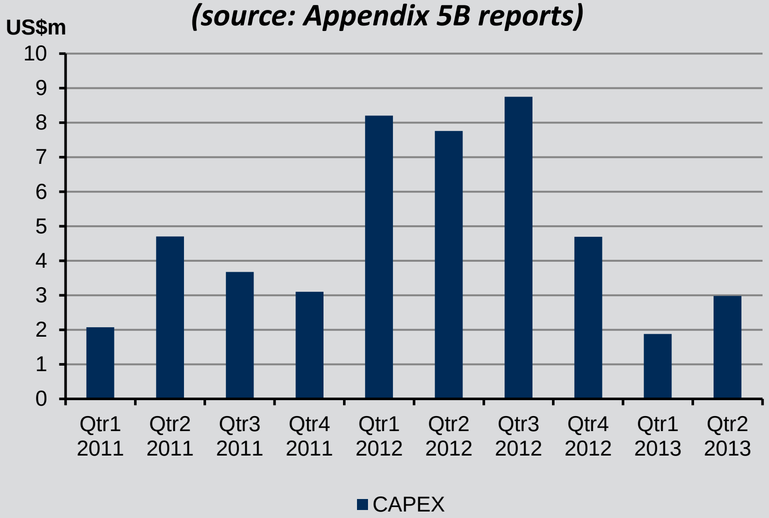
How Can Costs Reduce ?



C1 and C2 Costs by Quarter 2011-2012



Cash Capital Expenditure by Quarter (source: Appendix 5B reports)



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PRODUCT SPECIFICATION

		2013 (%)	Expected 2014(%)
Chemical Composition (Dry Basis)	Iron [Fe]	68.5	69.0
	Silica [SiO_2]	4.5	4.0
	Alumina [Al_2O_3]	0.2	0.2
	Phosphorus [P]	0.01	0.01
	Sulphur [S]	0.02	0.02
	Manganese [Mn]	0.05	0.05
	Sodium Oxide [Na_2O]	0.04	0.04
	Potassium Oxide [K_2O]	0.03	0.03
	Titanium Dioxide [TiO_2]	0.06	0.06
	Calcium Oxide [CaO]	0.35	0.35
	Magnesia [MgO]	0.45	0.45
	LOI	-3.3	-3.3
	Zinc [Zn]	0.004	0.004
	Lead [Pb]	0.005	0.005
	Arsenic [As]	0.002	0.002
	Chrome [Cr]	0.03	0.03
	Vanadium [V]	0.005	0.005
	Copper [Cu]	0.001	0.001
	Nickel [Ni]	0.04	0.04
	Moisture, natural basis [H_2O]	7.8%	7.8%
Physical Properties	+ 0.150 mm	<0.2%	<0.2%
	-0.150 mm + 0.053mm	<20%	<20%
	- 0.053 mm	>80%	>80%

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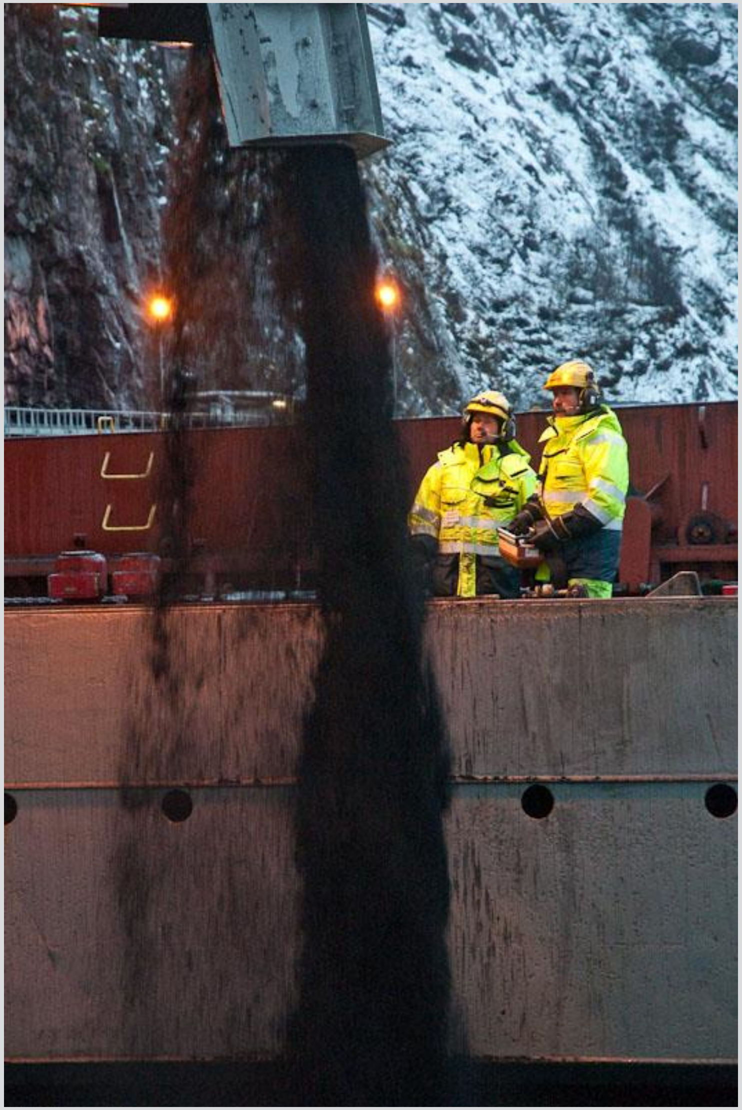
SALES AND MARKETING

Tata Steel Europe

- Tata Steel Europe will buy approximately 1.4 Mt of Sydvaranger concentrate in the year ending 31st March 2014.
- Contract in place until 2016, with a further 2 year extension possible at Tata's discretion.

Other

- NFE ships to Asian customers via its exclusive agency agreement with OM Holdings (through its subsidiary OM Materials Pte Ltd)
- Sales are offered on a CFR or FOB basis
- During recent months, 2 shipments were made to Bahrain Steel (formerly GIIC), following on from an initial trial shipment made in 2011.
- NFE is currently in discussion with a number of European steel makers regarding trials of Sydvaranger concentrate in sinter plants.



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DEVELOPING THE SINTER FINES MARKET

First Trial Cargo to ThyssenKrupp Steel Europe (TKSE)

- The first trial cargo of 80,000 tonnes of Sydvaranger Concentrate left Kirkenes for EECV Rotterdam on the 29th September.
- The trial shipment is a culmination of a number of months of discussions and testwork between Studiengesellschaft für Eisenerz-Aufbereitung (SGA), TKSE and NFE on the sintering performance of Sydvaranger Concentrate and its handling performance through the logistics chain.
- The sintering strategy is aimed at offering a high quality concentrate located close to key European markets – providing customers with an opportunity to ‘sweeten’ their sinter blends, while allowing NFE to access markets with lower freight costs than more distant alternatives.
- The Company is evaluating additional shipments to other European steelmakers in the coming months and is hopeful of securing a longer term offtake contract with one of these parties, which will complement the existing relationship with Tata Steel.

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OPTIMIZING OUR ASSET

The Company has previously outlined a growth strategy focusing on improving realised FOB price and lower operating costs. The key elements of this strategy are:

- Improved product quality – lowering Silica.
- Lowering freight costs through loading Cape size vessels.
- Doubling production volumes via a brownfields expansion of the Sydvaranger operation.

Spending on these projects has been heavily reduced during the last 6 months but some progress continues to be made:

- An improvement in quality with an expected 0.5-1.0% reduction in silica content expected in 2014.
- Work continues on the environmental critical path for the brownfields expansion project.
- The upgrading of the port is on hold while the company continues to pursue attractive European sales options.

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COMPETENT PERSON’S STATEMENT

The information in this report that relates to Mineral Resources and Ore Reserves is based on information compiled by Thomas Lindholm, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Thomas Lindholm is employed full time by GeoVista AB. Thomas Lindholm 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’. Thomas Lindholm consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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