



ASX ANNOUNCEMENT

Iron Road Limited (Iron Road, ASX:IRD)

IRON ROAD SIGNS CO-OPERATION AGREEMENTS

Memorandum of Understanding (MoU) signed with infrastructure investor to progress funding for the rail and port components of the CEIP

Highlights

- Includes Infrastructure MoU and Indigenous Land Use Agreement that complements five MoUs recently signed with Chinese Steel Mills
- Indigenous Land Use Agreement (ILUA), covering the entire project area, signed with the Barngarla Aboriginal Corporation on behalf of the Barngarla native title claimants
- Memorandum of Understandings (MoUs) signed with the Wudinna District Council, District Council of Cleve and several Eyre Peninsula peak industry groups

Iron Road Limited (Iron Road, ASX: IRD) is pleased to announce further progress on the development of the CEIP, following the signing of four non-binding Memorandum of Understandings (MoUs) and an Indigenous Land Use Agreement this afternoon.

Infrastructure Funding

Iron Road has today signed a MoU to progress funding for the infrastructure components of the CEIP with Aixi Investments (AIXI). AIXI has established relationships with a number of the worlds most experienced infrastructure investors and expressed to Iron Road its interest in consideration and evaluation of investment in the rail and port infrastructure assets related to the Project.

In addition, the MoU provides for parties to agree to co-operate in the negotiation of third party contracts, such as construction contracts, operation agreements and the negotiation of an infrastructure access agreement.

The infrastructure components required for the CEIP consist of a deep sea port and export facility at Cape Hardy capable of loading Capesize vessels (up to 220,000 tonne), and an infrastructure corridor, including a standard gauge railway line extending from the proposed mine at Warrambo to the port site, a power transmission line, water pipeline and a bore field.

Mr Christopher Camarsh, Managing Director represented AIXI and signed the MoU today.

Indigenous Land Use Agreement (ILUA)

The successful negotiation of the ILUA between the Barngarla Aboriginal Corporation, Iron Road Limited, South Australian Native Title Services and the Attorney General of South Australia was completed in June 2015. While the CEIP comprises only a small amount of native title land, the ILUA sets out all commitments in relation to both native title and Aboriginal heritage during construction, operation and closure of all elements of the CEIP. Employment, training and contracting opportunities for Barngarla and other indigenous people are set out in the ILUA.

Chairperson Mr Elliott McNamara represented the Barngarla at the signing ceremony today.

Wudinna District Council- Memorandum of Understanding

Key elements of the CEIP, including the proposed mine at Warramboos and a long term employee village adjacent to the town of Wudinna, are located within the jurisdiction of the Wudinna District Council. The parties have signed a MoU agreeing to work together to deliver key outcomes relating to the CEIP. These include the construction and upgrading of any new or existing roads, establishing the long term employee village, upgrading the Wudinna airport, and exploring opportunities around the supply of power and water to the community.

Mayor Eleanor Scholz represented the Wudinna District Council and signed the MoU today.

District Council of Cleve- Memorandum of Understanding

In recognition of the strategic importance of the District Council of Cleve in relation to rail, power and water infrastructure for the CEIP, the parties have entered into a MoU to continue to develop its relationship and collaborate in order to achieve desired outcomes. These outcomes include the establishment of a bore field, exploring opportunities to provide industrial water to the region, and working together to construct and upgrade any new or existing roads in the Council area.

The Chief Executive Officer Mr Peter Arnold signed the MoU on behalf of Council today.

EP Peak Industry Bodies- Memorandum of Understanding

Four peak industry bodies from the Eyre Peninsula have agreed to collaborate with Iron Road to increase employment and business development outcomes for communities across all industries, with the challenge to achieve this whilst improving both environmental and social outcomes.

Senior representatives from each of peak body were in attendance this afternoon to sign the MoU with Iron Road-

- Mr Bruce Green, Chairperson, Eyre Peninsula Local Government Association (EPLGA),
- Ms Diana Laube, Presiding Member, Eyre Peninsula Natural Resources Management Board (EPNRMB),
- Mr Dion Dorwood, Chief Executive Officer, Regional Development Australia – Whyalla & Eyre Peninsula (RDAWEP), and
- Mr Brian Foster, Chairperson, Eyre Peninsula Integrated Climate Change Agreement Committee (EPCCAC).

The agreements were contemporaneously signed today at a South Australian Chamber of Mines and Energy (SACOME) luncheon at which the Hon Tom Koutsantonis, Treasurer of South Australia discussed what he sees as the ways to drive South Australia's growth - and how the State Government plans to facilitate changes to the local economy.

The various MoUs signed supplement an existing MoU signed with a global grain handler with respect to the third party access to rail and port infrastructure and a MoU between Iron Road and the District Council of Kimba.

Iron Road Managing Director, Mr Andrew Stocks, said that the potential investment by top tier global pension funds would greatly assist the overall task of funding the CEIP.

"Pension funds are seeking long term stable sources of return, and we believe the CEIP infrastructure more than fits the bill," Mr Stocks said.

"A successful financing of the infrastructure components of the CEIP, alongside long term supply agreements over mine offtake, will take us a long way toward achieving full sources of funding for the Project.

"Funding by international pension funds will also support us in our commitment to allow third party access to the CEIP infrastructure, including local grain exports," Mr Stocks said.

The signing of the ILUA today has also cemented the relationship between Iron Road and the Barngarla people, with Mr Stocks acknowledging the goodwill and spirit of cooperation between the parties which will continue through all phases of the CEIP.

The signing of three MoUs with various Eyre Peninsula organisations and local Councils also showed the willingness of peak bodies to work collaboratively with Iron Road in order to achieve maximum benefits for their local communities through upgrading of critical infrastructure, increasing business and employment opportunities, and achieving improved environmental and social outcomes.

"Iron Road's commitment to establishing and maintaining relationships with key stakeholder groups on the Eyre Peninsula has taken a further step with the signing of the various documents today. The MoUs set out that all parties will work together to advance the future of the Eyre Peninsula," Mr Stocks said.

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About AIXI – Mr Christopher Camarsh is an investment manager and Managing Director of AIXI Investments with a principal area of focus in roads, airports, rail, utilities and ports. He also manages a venture capital portfolio focused on real world assets. Mr Camarsh was the former Chairman of Investment Committee and Chief Investment Officer at CP2 (formerly Capital Partners) where he worked for 13 years, building a portfolio of approximately \$4B of mostly infrastructure assets which included development stage assets in Australia, US and Europe.

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