



## ASX ANNOUNCEMENT

Iron Road Limited (Iron Road, ASX:IRD)

# PROJECT COMMERCIALISATION PROGRAMME PROCEEDS TO NEXT PHASE

### Iron Road – China Railway Group Project Management Office established in Adelaide

**Iron Road Limited** (Iron Road, ASX: IRD) is pleased to announce the commencement of the Project Commercialisation Programme, to be undertaken jointly by Iron Road and China Railway Group Limited (CREC). This follows the signing in April 2016 of a Strategic Co-operation Agreement with China Railway Oriental International Construction Corporation, a wholly owned subsidiary, chartered with CREC's offshore investments (ASX Release, 5 April 2016).

A Project Management Office is currently being established at Iron Road's head office in Adelaide, with collaborative oversight by a Project Steering Committee that has joint membership by Iron Road and CREC representatives. The Committee has the authority to allocate consultancy services equivalent to A\$5 million as part of the Commercialisation Programme's objective in achieving a total of nine key Project deliverables prior to a Final Investment Decision (FID) being reached. Finalising annual iron concentrate product sales agreements with CREC is one of the nine key deliverables. Importantly, this is expected to underpin the servicing of senior debt finance for the Central Eyre Iron Project with long-term tenor (15+ years). Pending a positive FID, CREC anticipate making a direct investment of up to 15% of the total equity for the Project in its own right.

During June 2016, Iron Road and CREC executives will meet with several key stakeholders, including senior South Australian government officials, local government representatives and Iron Road's major shareholder, The Sentient Group.

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