



16 June 2016

The Manager
Company Announcements Office
ASX Limited

Iron Road Ltd – Notice under section 708AA(2)(f) of the *Corporations Act 2001 (Cth)*

Iron Road Ltd ACN 128 698 108 (**Company**) has today announced a pro-rata non-renounceable offer of new fully paid ordinary shares (**New Shares**), at an issue price of \$0.10 a share (**Issue Price**) on the basis of 1 New Share for every 9 existing fully paid ordinary shares in the Company which is held as at 7.00 pm (AEST) on the record date of 21 June 2016 (**Offer**). The Offer will not be underwritten.

The Company has also announced the following placements (together, the **Placements**):

- an institutional placement of 10,518,000 New Shares to certain institutional shareholders at the Issue Price (**Institutional Placements**); and
- subject to shareholder approval, an institutional placement of 37,482,000 New Shares to Sentient Executive GP IV, Limited, in its capacity as general partner of Sentient GP IV, L.P., which in turn acts as the general partner of Sentient Global Resources Fund IV, L.P. (**Sentient Fund IV**) at the Issue Price (**Sentient Placement**).

Subject to the *Corporations Act 2001 (Cth)* (**Corporations Act**), the requirements of the ASX Listing Rules and any other applicable laws, a shortfall facility will be made available to eligible shareholders other than related parties (as defined in the ASX Listing Rules) of the Company, to subscribe for additional New Shares up to 50% of each shareholders entitlement in excess of their entitlement (**Shortfall Facility**).

This notice is given by the Company under section 708AA(2)(f) of the Corporations Act as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73.

The Company gives notice that:

- 1 the Company will offer the New Shares under the Offer without disclosure to investors under Part 6D.2 of the Corporations Act;
- 2 as at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (b) section 674 of the Corporations Act;
- 3 as at the date of this notice, there is no excluded information (as defined in section 708AA(8) and 708AA(9) of the Corporations Act) which is required to be disclosed by the Company; and

- 4 the potential effect that the issue of the New Shares under the Offer and the Placements will have on the control of the Company and the consequences of that effect are as follows:
- (a) if all eligible shareholders take up their entitlements, each shareholder's percentage interest in the total issued share capital of the Company will be diluted by the New Shares issued under the Institutional Placements and, if approved by shareholders, by the New Shares issued under the Sentient Placement;
 - (b) to the extent that eligible shareholders do not take up their entitlements, following the close of the Offer, the percentage shareholding of eligible shareholders will be diluted further;
 - (c) no shareholder will increase their voting power in the Company from below 20% to above 20% as a result of the Offer;
 - (d) there are three shareholders in the Company advised by the Sentient Group, being Sentient Executive GP II, Limited, Sentient Executive GP III, Limited, and Sentient Executive GP IV, Limited (**Sentient Shareholders**). These three shareholders hold their shares on behalf of the Sentient Global Resources Trust II, Sentient Global Resources Fund II, L.P. (**Sentient Fund II**), Sentient Global Resources Fund III, L.P. (**Sentient Fund III**), SGRF III Parallel I, L.P. and Sentient Global Resources Fund IV, L.P. respectively (together, the **Sentient Funds**);
 - (e) the Sentient Shareholders hold their shares in the Company as a fiduciary the relevant Sentient Fund;
 - (f) as at 16 June 2016, the Sentient Funds have aggregate voting power of 72.85% in the Company. The Sentient Funds currently have the capacity to control the Company because collectively the Sentient Funds have sufficient voting power to pass resolutions to remove or appoint directors and therefore have the capacity to determine the composition of the board and to control the financial and operating policies of the Company;
 - (g) each of Sentient Global Resources Trust II, Sentient Fund II, Sentient Fund III and SGRF III Parallel I, L.P. has indicated to the Company that it presently does not intend to take up its entitlements under the Entitlement Offer. However, each of the aforementioned funds reserves the right to change its intentions. Sentient Fund IV has agreed to take up its full entitlement under the Offer and, subject to shareholder approval, has agreed to participate in the Sentient Placement;
 - (h) following the close of the Offer and, subject to shareholder approval, the Sentient Placement, as a result of New Shares which may be issued to any of the Sentient Funds, the voting power of the Sentient Funds in the Company may increase;
 - (i) the table below illustrates the possible effects of the Offer and the Placements on the voting power of the Sentient Funds. The figures in the table below have been calculated on the basis that: (a) neither Sentient Fund II nor Sentient Fund III take up their Entitlements; (b) each of Sentient Fund IV, Peter Cassidy, Ian Hume, and the institutional shareholders participating in the Institutional Placement will fully take up their Entitlements; (c) institutional shareholders will be issued New Shares under

the Institutional Placement; and (d) Shareholder approval is obtained for the Sentient Placement.

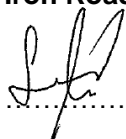
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Shares held by Sentient Funds prior to Entitlement Offer and Placements	423,949,051
% voting power of Sentient Funds prior to Entitlement Offer and Placements	72.85%
Maximum number of New Shares which may be issued under the Entitlement Offer and Placements	Approximately 112.66 million New Shares
% voting power of the Sentient Funds following the Entitlement Offer and Placements assuming no Shortfall*	Approximately 71.9 %
% voting power of the Sentient Funds following the Entitlement Offer and Placements assuming 25% Shortfall**	Approximately 72.5 %
% voting power of the Sentient Funds following the Entitlement Offer and Placements assuming 50% Shortfall**	Approximately 73.0 %
% voting power of the Sentient Funds following the Entitlement Offer and Placements assuming 75% Shortfall**	Approximately 73.5%
% voting power of the Sentient Funds following the Entitlement Offer and Placements assuming the maximum Shortfall**	Approximately 74.1%

* Note: this assumes that the entitlements of Sentient Global Resources Trust II, Sentient Fund II, Sentient Fund III and SGRF III Parallel I, L.P. have been fully taken up by other eligible shareholders pursuant to the Shortfall Facility.

**Note: For the purposes of this table, the maximum shortfall is 20,328,447 Shares, being the maximum number of New Shares available under the Offer less the entitlements of Sentient Fund IV, Peter Cassidy, Ian Hume and the institutional shareholders participating in the Institutional Placement.

- (j) as set out in the table above, the maximum increase in the voting power of the Sentient Funds will occur where no eligible shareholders (other than Sentient Fund IV, Peter Cassidy, Ian Hume and the institutional shareholders participating in the Institutional Placement) take up their entitlements. This would result in the aggregate voting power of the Sentient Funds increasing by 1.25% (i.e. from 72.85% to approximately 74.1%);

Iron Road Limited



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Leonard Math
Company Secretary