



ASX ANNOUNCEMENT

Iron Road Limited (Iron Road, ASX:IRD)

PROJECT COMMERCIALISATION PROGRAMME TO BE ACCELERATED

China Railway Group reiterates view that whole-of-project financing solution could reasonably be finalised during 2017

Iron Road Limited (Iron Road, ASX: IRD) is pleased to announce the conclusion of a series of successful meetings with senior China Railway Group executives in South Australia, including a site visit to the Central Eyre Iron Project (CEIP).

Mr Cai Zemin, Managing Director of *China Railway Oriental International Construction Corporation* (CROICC), manages *China Railway Group Limited's* (CREC) international business. CREC is Asia's largest infrastructure construction contractor and its GDP contribution is approximately equivalent to 1% of China's national GDP. The visit by CREC included meetings with senior South Australian government officials involving the Premier and Treasurer, as well as a review of the Project Commercialisation Programme at Iron Road's head office in Adelaide.

Importantly, the field visit to the Eyre Peninsula allowed for a first-hand view of the CEIP, and the opportunity to meet with several stakeholder groups. Following the week's activities, CREC expressed its view that the 12-month Project Commercialisation Programme should be accelerated and that a credible whole-of-project financing solution could reasonably be finalised to enable construction to commence by the end of 2017. Under this timeframe, first shipments of CEIP iron concentrate could be expected by the end of 2020.

The CEIP field visit encompassed all major project components – proposed port site, infrastructure corridor (including rail) and mine/beneficiation site. At the Iron Road core processing and storage facilities at Kyancutta, CREC gained access to over 150,000m of drill core taken from more than 550 diamond drill holes, as well as logging, geotechnical and assay data. These drill cores collectively define, with a high level of confidence, the large magnetite orebody identified at Warrambo. Access to the drill cores further enhanced and gave added confidence to CREC's understanding of the scale, uniformity and coarse-grained nature of the orebody.

The favourable metallurgical properties and ease of beneficiation of the CEIP ore is well understood and these key aspects clearly differentiate CEIP ore from the much harder and fine-grained banded iron formation (BIF) deposits typical in Western Australia. This fundamental difference in orebody characteristics combined with inadequate project studies during the sector boom, has resulted in two high-profile magnetite operations in Western Australia experiencing sustained difficulties, with inefficient mining and underperformance associated with problematic, high-cost processing activities.



Mr Cai Zemin, Managing Director, CROICC, on site reviewing the infrastructure corridor plans linking the proposed mine site at Warramboe and port at Cape Hardy.

CREC reiterated its view that together with a competitive operating cost structure, the Eyre Peninsula of South Australia is the preferred development location for a large scale, long life, high-grade iron concentrate development as opposed to competing locations in Western Australia, Eastern Canada and West Africa. Furthermore, a lack of suitable, existing regional infrastructure was identified as the main driver for establishing a modern and efficient rail and port infrastructure business that third party users may utilise, including local grain growers. CREC also shares Iron Road's longer term vision to open up additional export and import opportunities through broader access to greenfield infrastructure connecting into the National rail network.

Benign topography between the proposed port at Cape Hardy and the mine site near Warramboe, which enables high density, process plant modules to be efficiently transported to site, together with a protected gulf port location that requires no dredging or breakwater, were other key, favourable attributes endorsed by CREC.

- ENDS -

For further information, please contact:

Andrew Stocks, Managing Director
Iron Road Limited
Tel: +61 8 8214 4400
Email: admin@ironroadlimited.com.au

Shane Murphy
FTI Consulting
Tel: +61 8 9485 8888
Email: shane.murphy@fticonsulting.com

Or visit www.ironroadlimited.com.au